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NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

Vol 8 No 1
January-February 1987

The New Mexico Economy 1986

NATIONAL REVIEW

Caught in a quagmire of conflicting policy choices, the U.S. economy trudged through 1986 with a 2.5 percent advance in real GNP, akin to 1985's 2.7 percent rate of growth. Plunging oil prices were at best a mixed blessing for the national economy, as some industries and regions prospered while others suffered. Out of this scenario came large job losses in the oil and gas industry, particularly in the Southwest, and plummetting capital spending, mainly caused by depressed exploration activity. The nation's economic engine, meanwhile, is dragging due to the trade and federal budget deficits. In spite of these negative forces, the international economy provided the U.S. with enough adrenalin to counter expansive fiscal policy and predictable political inaction on the budget. Besides stimulus in the form of lower energy costs for industry and consumers, the nation also benefitted from a world commodity glut and historically low real prices for many commodities, partly because of increased competition, the threat of substitutes, and resulting surplus stocks.

Stiffer competition from newly industrializing countries has given the American consumer more choice and bargains, especially when the dollar was high-flying. Consumers fueled the nation's economy in 1986, as they gained from rises in real personal income, low interest rates, and declining energy costs. This spending sparked growth in services and trade in particular, but did little to assist manufacturing. Single-family home construction as well profited from low mortgage rates. But a flood of imports damaged some American industries as consumer demand and dollars were exported to overseas producers. In the old days consumer demand would result in increased domestic production, creating more jobs and income that turned over in the economy. Companies responded to the new competitive turmoil by reorganizing, belt tightening, and chopping labor costs, an important comparative advantage for new industrial nations. Another loser is government which forfeits substantial tax revenues because demand and dollars are shipped abroad. In short, there is a struggle between American consumer and producer interests, until labor realigns and shifts to more globally competitive U.S. industries. In order for labor, in a broad perspective, to make the change, it must retrain and educate itself for a knowledge-oriented economy, whether it is in venerable manufacturing, skilled services, or high-tech.

1986 was also the year Congress passed Tax Reform. Consumers, facing record debt and a low savings rate, probably overspent at the end of 1986 at the expense of 1987 spending in order to receive the full consumer interest deduction. They will finally have to restrain purchases in 1987.

Monetary policy has kept the money supply growth in the designated target ranges for the broad monetary aggregates, and the Federal Reserve, in a series of cuts, reduced the discount rate further during 1986. These low interest rates allowed significant debt refinancing and caused a boom in single-family home construction. International coordination of exchange rates brought the dollar down this year as the Group of Five agreed to Treasury Secretary Baker's initiative to lower the greenback. Foreign investors, attracted by rather high real U.S. interest rates, also are financing a significant portion of this nation's huge debt, thus avoiding nasty credit clashes. Investors' confidence in the economy, reaping returns based on a classic high-return scenario due to low inflation, shrinking industrial input costs, and restructuring—along with widespread merger mania and takeover speculation—rocketed the Dow Jones up over 400 points to dizzying levels of 1955 in 1986. It is easy to understand investor euphoria based on decent returns, lean and mean companies, a fairly secure place to invest, and a large spendthrift U.S. market to exploit.

National economic growth has been lopsided, as prosperity prevails in the Northeast and in California, where high-tech, defense bucks and sophisticated services lead diversified re-

PER CAPITA INCOME[1]
SOUTHWEST AND ROCKY MOUNTAIN REGIONS

	1984	1985	% Change	National Rank 1985
SOUTHWEST	$12,421	$13,070	5.2	NA
Arizona	12,020	12,795	6.4	28
NEW MEXICO	10,404	10,914	4.9	43
Oklahoma	11,827	12,232	3.4	33
Texas	12,798	13,483	5.4	21
ROCKY MOUNTAIN	$12,206	$12,762	4.6	NA
Colorado	14,147	14,812	4.7	9
Idaho	10,530	11,120	5.6	41
Montana	10,838	10,974	1.3	42
Utah	10 024	10,493	4.7	47
Wyoming	12,506	13,223	5.7	26
U.S. AVERAGE	$13,114	$13,867	5.7	NA

NA Not applicable.
1 By place of residence.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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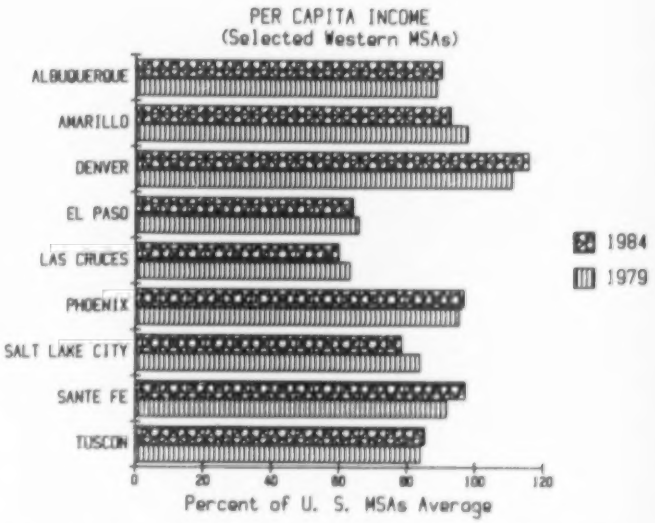
PER CAPITA INCOME[1]
SELECTED WESTERN MSAs

	Dollars			% of U.S. MSA Averages		% Change
	1979	1983	1984	1979	1984	1983-1984
ALBUQUERQUE	$ 8,143	$11,300	$12,305	88.9	90.5	8.9
Amarillo	8,987	11,839	12,666	98.1	93.1	7.0
Denver	10,180	14,525	15,783	111.1	116.0	8.7
El Paso	6,051	8,043	8,745	66.0	64.3	8.7
LAS CRUCES	5,813	8,091	8,176	63.4	60.1	1.1
Phoenix	8,762	11,926	13,199	95.6	97.0	10.7
Salt Lake City	7,699	9,922	10,689	84.0	78.6	7.7
SANTA FE	8,418	12,205	13,244	91.9	97.4	8.5
Tucson	7,716	10,596	11,626	84.2	85.5	9.7
U.S. MSA Average	$9,164	$12,469	$13,603	100.0	100.0	9.1

1 By place of residence.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.



gional economies. In contrast, the nation's interior suffers from dying extractive industries and contracting farming, yet healthy zones exist in some large metropolitan areas. The Rocky Mountain and Southwestern states were rocked by plunging oil prices and sinking mining fortunes, particularly in employment terms.

Not since the 1960's has the New Mexico economy been stunned by adverse national economic conditions. Within the state, Albuquerque, Santa Fe and Las Cruces represent the service and technology driven economy, while the rest of the state displays the travails of a resource-based economy, mirroring the nation's regional disparities. These powerful global forces affecting the U.S. economy have rushed into New Mexico, causing descending rates of economic growth throughout 1986.

NEW MEXICO REVIEW

New Mexico's 1.4 percent nonagricultural employment growth rate in 1986 was about half that of the nation's 2.6 percent rate and Albuquerque's 2.9 percent rate of job creation. Total nonagricultural employment in 1986 for New Mexico was 527,900 of which Albuquerque's share was 226,700 jobs, 43 percent of all jobs in the state. Excluding Albuquerque, virtually no job gains occurred in the rest of New Mexico during 1986. The state's trade, services, and finance/insurance/real estate (FIRE) sectors experienced modest job growth of between 3.5 to 4.0 percent during the year, but the mining sector lost 22.4 percent of its jobs and construction jobs contracted 5.9 percent in 1986. Minor job growth occurred in manufacturing and government, while the transportation/communication/utilities (TCU) sector had a small loss of jobs. Albuquerque nonagricultural employment experienced a major slowdown in growth, from 3.7 percent in the first quarter of 1986 to 1.7 percent in the fourth quarter, compared to a year ago. This weaker pace of job creation compares to 1985's 5.7 percent growth rate for the city. In the state's other MSA's Santa Fe's rate of job formation was 4.7 percent, while Las Cruces' growth rate was officially 9.8 percent. Measured employment for Las Cruces was distorted by changes in the reporting of state government jobs, such that the BBER-estimated growth rate for Las Cruces was closer to 3.3 percent against a year earlier. Because of this distorted data overall state job growth was probably closer to 0.9 percent in 1986.

New Mexico's unemployment rate was a high 9.2 percent in 1986 with only a 6.5 percent jobless rate in Albuquerque. State personal income advanced 3.5 percent in 1986. Massive layoffs in the high paying oil and gas industries and an ebbing of Albuquerque's construction boom permeated throughout the economy, causing a slower growth rate of personal income. Albuquerque personal income, though, rose at a faster 5.8 percent rate of growth in 1986. As with employment growth, personal income gains slowed throughout the year.

Dismantling of New Mexico's mining sector stole the year's economic headlines which resulted from cascading oil prices, international competition, and weaker demand for certain raw materials. To stay competitive, mining companies modernized operations, slashed jobs, and chopped labor costs by pruning wages and benefits. The oil industry early in 1986 was jolted by a 50 percent tailspin in prices that hurt exploration activity and caused the closing of less competitive stripper wells. This turbulence sent shock waves through New Mexico's resource-dependent regions, resulting in severe job losses, depressed economic activity, and a state government revenue crunch. State government responded to its revenue gap by implementing one of the largest tax increases in New Mexico's history. Nonetheless, consumers enjoyed the benefits of lower oil costs, allowing them to inject money into the retail trade and services sectors.

Employment and production in the mining sector took a beating during 1986. Oil and gas jobs dropped from 13,500 in January to 9,200 by year's end. Metal mining jobs fell from 2,900 to 1,900 over the same period. In all 3,600 jobs were lost in oil and gas between 1985 and 1986 and 1,000 jobs were lost in metal mining (mostly molybdenum in Taos County). The number of oil well completions shrank from 1,011 to 691 from 1985 through 1986. Likewise, the number of gas well comple-

tions faded from 727 to 348 during the same period. Furthermore, steep drops are expected in 1987.

Construction activity in New Mexico and Albuquerque diminished, as this sector's employment in the state fell 5.9 percent in 1986. It should be remembered, though, that this decline followed the 1985 peak. As jobs dwindled in commercial and apartment construction, the exploding single-family housing market took up the slack, bolstered by the lowest mortgage rates in over a decade. Since half of the state's construction jobs are in Albuquerque, we will focus on the city's construction sector which weakened considerably in 1986, losing 700 jobs, compared to last year—a 4.0 percent slide. New single-family housing units swelled 24.7 percent but multi-family units continued to tumble from 1984's record, down 13.1 percent over a year ago. Contracts for nonresidential construction, moreover, dropped 29.4 percent, responding to excess capacity in offices, hotels, and hospitals. Nonbuilding construction growth climbed 17.6 percent due to groundbreaking on the Rio Grande bridge and a high level of street and highway projects. Yet, total construction awards fell 10.9 percent during 1986 against a year ago in Albuquerque.

Manufacturing in New Mexico showed little job growth, increasing 0.5 percent in 1986. Except for an uptick in 1984, this is a tale consistent for the sector throughout the 1980's. Albuquerque manufacturing employment rose a mild 2.1 percent in 1986 compared to the year before. The TCU sector registered a 2.3 percent decline in jobs in New Mexico. Cutbacks and consolidations were designed to make operations more efficient and market oriented at the public utilities.

Employment gains in trade and services faded in 1986, as growth in personal income slowed. These lagging sectors felt the impact of the spillover effects of mining and construction job losses. Heavily concentrated in Albuquerque, growth in the area's retail employment dropped from over 7.0 percent early in the year to only 1.8 percent in the fourth quarter. Similarly, growth in New Mexico service jobs faltered to a 2.8 percent rate in the fourth quarter, compared to 6.5 percent growth from 1984 through early 1986. After sprouting 6.0 percent in 1985, employment growth in Albuquerque's trade sector slipped to a 1.1 percent rate in the fourth quarter and averaged 3.6 percent for the year. Another reason for slower growth in Albuquerque is the recently built malls in other parts of New Mexico that are competing with city retailers for the consumer dollar. Services employment in the city jumped 5.4 percent in 1986, but this did not compare with over 8.0 percent growth the previous two years.

A winding down of activity occurred in all sectors of the New Mexico economy throughout 1986. Government employment, anchored by the research laboratories, as usual stabilized the economies of New Mexico's metropolitan areas. In effect, by year's end the state's economy had quit growing.

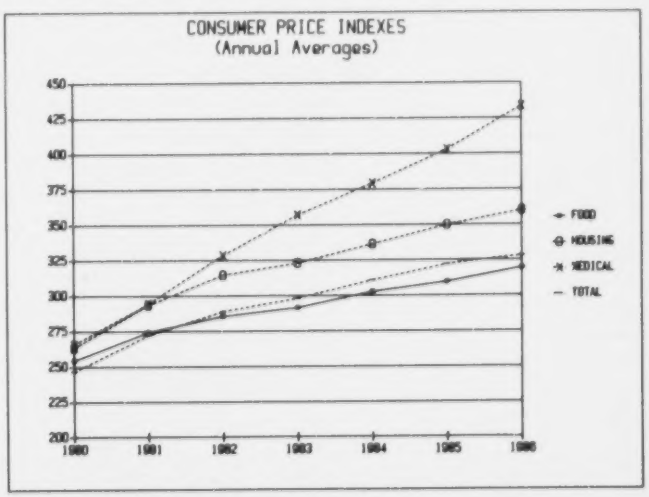
NATIONAL OUTLOOK

Nationally, the economy is expected to go through difficult times in 1987 and 1988, although not without some optimistic prospects. The two brightest spots on the economic horizon will be lower interest rates and the shrinking dollar. The foreign trade sector will provide stimulus in the economy due to the shrinking dollar, making exports more competitive overseas and imports more expensive domestically. The interest rates, lowest in over ten years, are expected to shore up the tottering construction sector with continued building in single-family housing. The current forecast for mortgage interest rates are at levels below the 10.0 percent mark for the next two years and the prime rate will stay below 8.0 percent for the same period. The combined effects of low interest rates and the shrinking dollar should affect the manufacturing environment favorably at the national level, with a possible employment turnaround in the works despite continuing corporate streamlining. In the financial markets, the concern for a major market correction is increasing, although a continuation of the bull market is expected. Finally, good news for the consumer, inflation will continue to be a minor element in the economy next year; pressure on the Federal Reserve to improve the sluggish economy and anxiety over the shrinking dollar will increase the CPI next year to slightly higher than 3.0 percent.

On the down side, consumer spending is expected to be weaker through the next two years, with pressures from lower savings rates, higher debt ratios and falling consumer confidence stifling possible growth. The U.S. construction industry will continue to suffer from the effects of tax reform and the overbuilding of multi-family housing and non-residential building that occurred in 1985 and 1986. Little help from government spending can be expected, with federal expenditures expected to decline in real terms during the next two years in accordance with budgetary cuts proposed by Congress and the President.

NEW MEXICO OUTLOOK

At the state level, the New Mexico economy will continue to reflect the lingering effects of massive job losses in oil and gas employment and the loss of state government revenues from the depressed mining sector. The ripple effects of these losses are expected to continue across most sectors through this year. New Mexico nonagricultural employment is projected to re-



SELECTED U.S. PRICE AND COST INDEXES
1976 AND 1980-1986
ANNUAL AVERAGES

	1976	1980	1981	1982	1983	1984	1985	1986p	% Change 1985-1986
PRODUCER PRICE INDEX, ALL COMMODITIES (1967=100)	183.0	268.8	293.4	299.3	303.1	310.3	308.7	299.8	-2.9
Farm Products	191.0	249.4	254.9	242.4	248.2	255.8	230.5	224.7	-2.5
Food & Feeds, Processed	178.0	241.2	248.7	251.5	255.9	265.0	260.4	265.1	1.8
Fuels & Related Products & Power	265.6	574.0	694.5	693.2	664.7	656.8	633.6	483.6	-23.7
CONSUMER PRICE INDEX[1] ALL ITEMS (1967=100)	170.5	246.8	272.4	289.1	298.4	311.1	322.2	328.4	1.9
Food	180.8	254.6	274.6	285.7	291.7	302.9	309.8	319.7	3.2
Housing	174.6	263.3	293.5	314.7	323.1	336.5	349.9	360.2	2.9
Medical Care	184.7	265.9	294.5	328.7	357.3	379.5	403.1	433.5	7.5
CONSTRUCTION COST INDEX[2] (1982=100)	58.8	89.4	97.0	100.0	102.7	106.3	109.4	112.1	2.5

p Preliminary.
1 All urban consumers.
2 U.S. Department of Commerce composite.
Source: U.S. Department of Commerce, Business Statistics, and Survey of Current Business, various issues.

main unchanged at current levels for 1987 and increase only slightly in 1988. Personal income in New Mexico is expected to stay in the 3.0 to 4.0 percent range for the same time period, which is the lowest income growth since the early 1960's. Unemployment in New Mexico is forecast to increase over the next two years, but remain under the 11.0 percent level.

In 1987 and 1988 the Albuquerque MSA will retain its leadership role in the New Mexico economy. Albuquerque, being insulated from most of the devastating effects of the crushed extractive industries, will maintain its dominant position in the economy for the next several years. Lower unemployment rates (below 7.0 percent) and slightly higher nonagricultural growth (but less than 1.0 percent) reinforces the extended disparity between Albuquerque and the rest of New Mexico.

The budgetary federal spending cuts will start affecting the state over the next two years, as contracts expire and defense spending grinds down. New Mexico, partially insulated from the defense cuts previously, will start feeling the abbreviated budget across more than the large government sector, with job losses occurring in secondary support industries. Traditonally, the New Mexico defense sector was sheltered from the budgetary knife due to the research nature of this strong sector; in the future this will no longer be the case as the research centers scramble for projects and funds. Contemporary evidence of the cuts is appearing with 150 layoffs at Los Alamos National Laboratory and slight reductions at the Kirtland Air Force Base Helicopter Unit.

Manufacturing employment at the state level should start experiencing some growth in 1987 and 1988. Some of the positive effects occurring at the national level should filter down to New Mexico's small manufacturing sector. The possibility of trade restriction agreements and the strong growth of the Japanese yen have definite positive implications for the long suffering micro-chip industry in Albuquerque.

The income-sensitive sectors, trade and services, will feel the negative effects of state-level tax measures on personal income. A repeal of the food and medical tax rebates and increases in state taxes (efforts by the New Mexico legislative branch to come to grips with the effects of a revenue shortfall) will continue to impact disposable income and adversely affect the trade and services sectors. Employment growth in these sectors is projected to stay at or below the 1.0 percent level for the next two years.

The construction industry in New Mexico will continue to reflect events at the national level in the next two years. Overall, construction will enter a period of slight negative growth for 1987 and 1988. Single-family housing and non-building construction will continue to brighten the construction sector, partially countering the gloom prevalent in multi-family housing and commercial construction. Non-building construction will receive major help from the $120 million Albuquerque International Airport expansion.

In summary, the New Mexico economy is expected to underperform the national economy in 1987 and 1988. This trend, beginning in 1986, is traced to the state's larger reliance on the oil and gas industry and the end to Albuquerque's construction boom. In the future, continued weakness in the basic sectors—government and extraction—combined with the small manufacturing sector, will keep New Mexico's growth prospects comparatively dim.

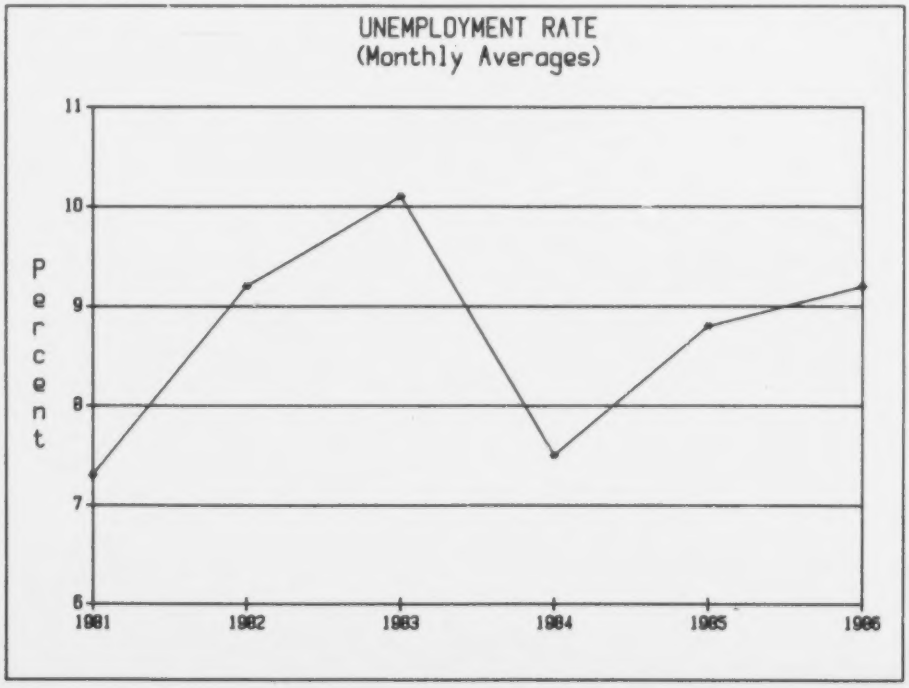
Richard Zimmerman and John Beasley
Economists

CIVILIAN EMPLOYMENT

TOTAL CIVILIAN LABOR FORCE AND JOBS IN NEW MEXICO*
(Monthly Averages)

	1976	1981	1982	1983[1]	1984[1]	1985	1986[p]	% Change 1985-1986
TOTAL CIVILIAN LABOR FORCE	476,000	579,000	596,000	609,000	629,000	642,000	672,000	4.7
Total Employment	432,000	537,000	541,000	547,000	582,000	585,000	610,000	4.3
Total Unemployment	44,000	42,000	55,000	62,000	47,000	57,000	62,000	8.8
Rate (Unadjusted)	9.2	7.3	9.2	10.1	7.5	8.8	9.2	4.5
NONAGRICULTURAL WAGE & SALARY[2] EMPLOYMENT	390,000	475,500	473,600	479,500	502,800	520,700	527,900	1.4
Manufacturing	30,300	34,300	34,100	34,400	36,500	37,300	37,500	0.5
Mining	21,500	31,200	26,300	21,000	21,600	21,000	16,300	-22.4
Contract Construction	26,100	33,300	32,100	33,700	36,600	37,500	35,300	-5.9
Transportation & Public Utilities	23,400	29,200	29,900	29,500	30,000	30,000	29,300	-2.3
Wholesale & Retail Trade	90,400	106,000	108,300	110,700	117,500	122,600	126,900	3.5
Finance, Insurance & Real Estate	17,000	21,500	21,900	23,200	24,700	25,800	26,700	3.5
Services	73,300	94,100	95,500	99,700	106,300	113,200	117,700	4.0
Government	108,000	125,800	125,600	127,200	129,700	133,300	138,200	3.7

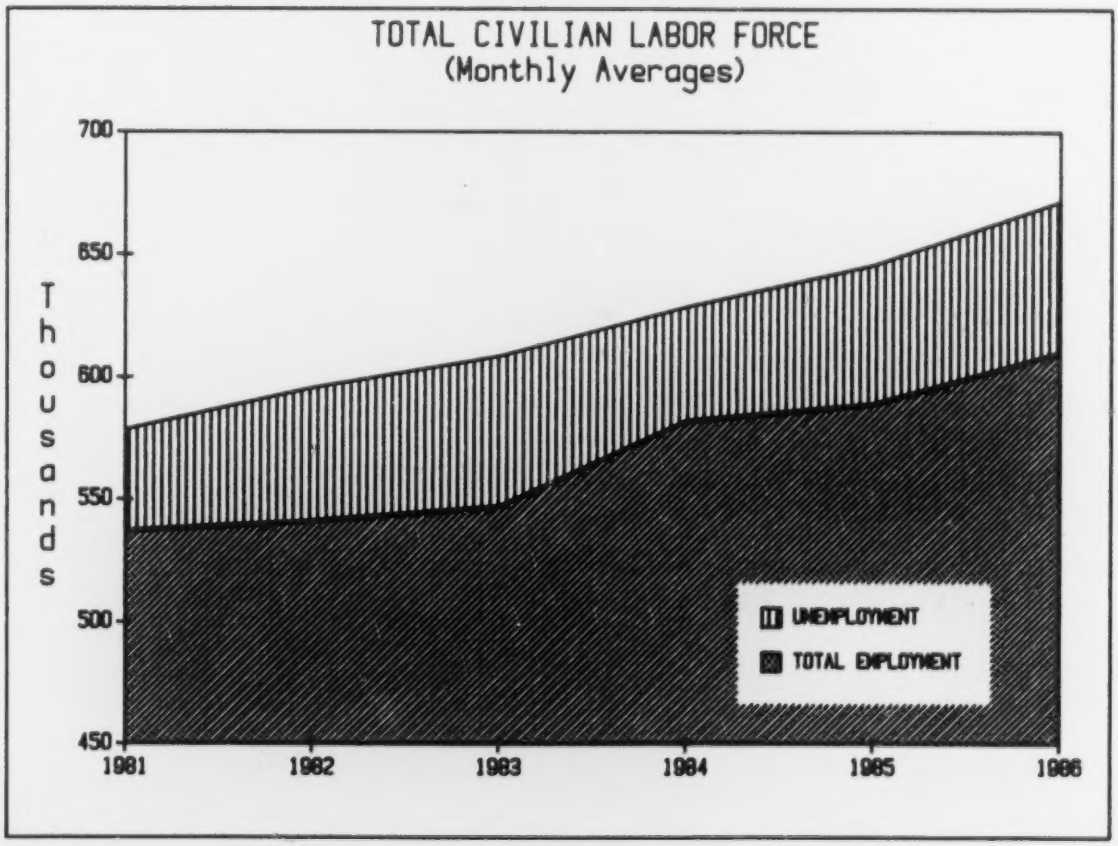
* Detail may not add up to total because of rounding.
p Preliminary.
1 Labor force data for 1983 and 1984 are currently being revised by Employment Security Department. Revisions should be available by early April, 1987.
2 Nonagricultural wage and salary employment is not strictly comparable to total civilian employment since double job holders and in-commuting workers are excluded from total civilian employment but included in nonagricultural wage and salary employment.
Source: New Mexico Employment Security Department.



AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Current Dollars)

	1976	1981	1982	1983	1984	1985	1986 p	% Change 1976-1986	% Change 1985-1986
Mining	$6.22	$ 9.90	$11.15	$11.21	$11.50	$11.90	$12.57	102.1	5.6
Construction	7.57	10.08	10.60	10.52	10.46	10.63	10.90	44.0	2.5
Manufacturing	4.07	6.54	7.22	7.60	7.98	8.41	8.78	115.7	4.4
Durable Goods	4.33	6.90	7.79	7.77	8.18	8.57	8.85	104.4	3.3
Nondurable Goods	3.63	5.76	6.01	7.21	7.53	8.07	8.59	136.6	6.4
Communications & Utilities	5.85	8.64	9.31	9.94	10.50	11.08	12.03	105.6	8.6
Trade[1]	4.22	6.68	6.82	7.04	6.57	6.65	6.77	NA	1.8
Banking	3.21	4.64	4.97	5.21	5.38	5.54	5.77	79.8	4.2

NA Not applicable
p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Employment Security Department.

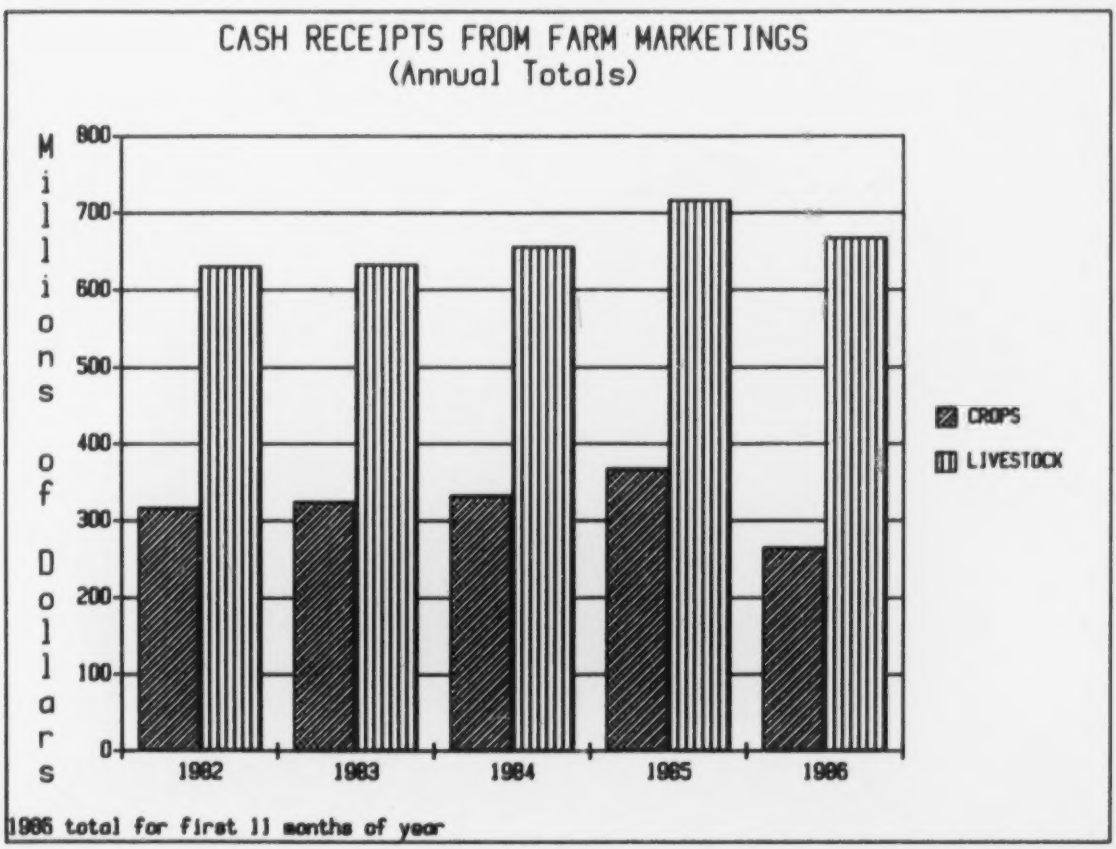


AVERAGE HOURLY EARNINGS BY SECTOR
NEW MEXICO
(In Constant 1986 Dollars)

	1976	1981	1982	1983	1984	1985	1986 p	% Change 1976-1986	% Change 1985-1986
Mining	$11.98	$11.94	$12.67	$12.34	$12.14	$12.13	$12.57	4.9	3.6
Construction	14.58	12.15	12.04	11.58	11.04	10.83	10.90	-25.2	0.6
Manufacturing	7.84	7.88	8.20	8.36	8.42	8.57	8.78	12.0	2.5
Durable Goods	8.34	8.32	8.85	8.55	8.63	8.73	8.85	6.1	1.4
Nondurable Goods	6.99	6.94	6.83	7.93	7.95	8.22	8.59	22.9	4.5
Communications & Utilities	11.27	10.42	10.58	10.94	11.08	11.29	12.03	6.7	6.6
Trade [1]	8.13	8.05	7.75	7.75	6.94	6.78	6.77	NA	-0.1
Banking	6.18	5.59	5.65	5.73	5.68	5.65	5.77	-6.6	2.1

NA Not applicable.
p Preliminary.
1 Excludes eating and drinking establishments through 1983.
Source: New Mexico Employment Security Department and the U.S. Department of Labor, Bureau of Labor Statistics.

AGRICULTURE

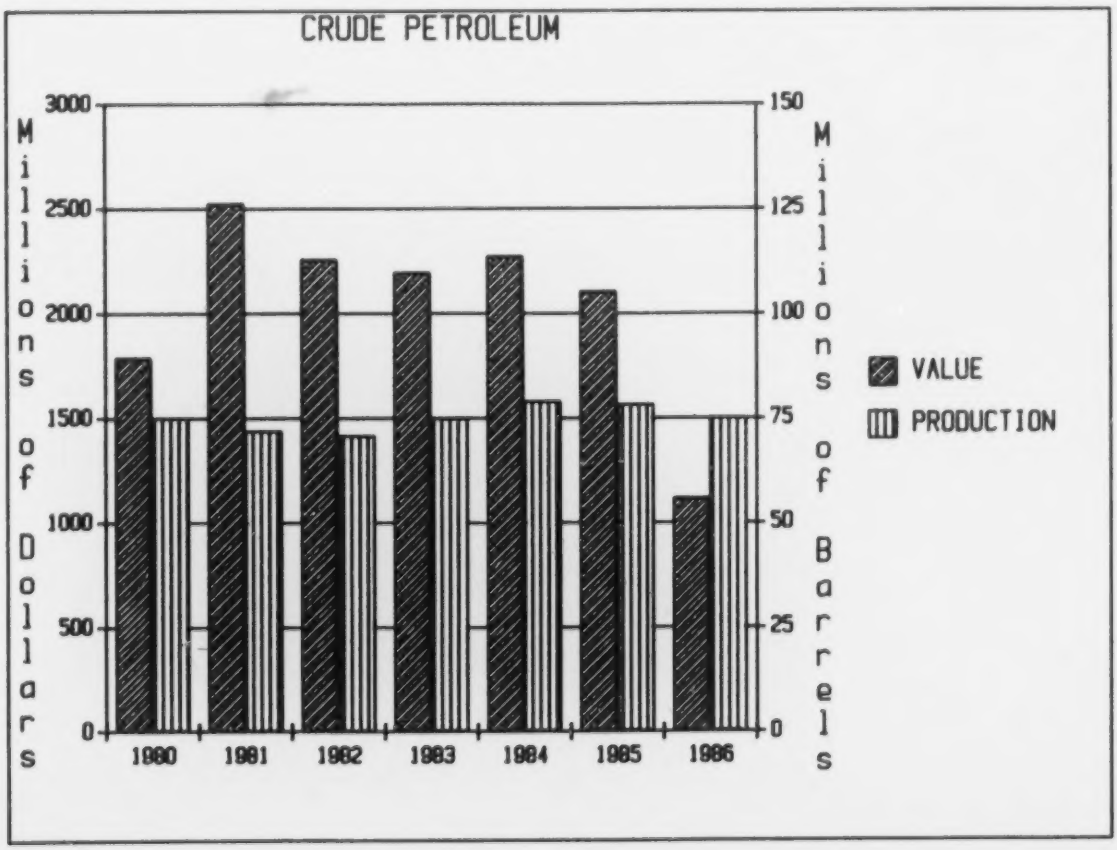


LIVESTOCK PRICES AND CASH MARKETINGS OF FARM PRODUCTS IN NEW MEXICO

	1976	1982	1983	1984	1985	1986[2]	% Change 1985-1986
PRICES TO FARMERS (Annual Averages)							
All Beef Cattle (per cwt.)[1]	$ 36.30	$ 46.80	$ 46.50	$ 46.00	$ 49.40	$ 48.50	- 1.8
Calves (per cwt.)[1]	32.40	62.60	65.20	63.10	68.10	65.40	- 4.0
Sheep (per cwt.) [1]	12.10	18.20	15.00	21.10	28.00	31.50	12.5
Lambs (per cwt.) [1]	45.50	48.60	50.10	56.80	68.80	70.80	2.9
Wool (per lb.)	0.66	0.88	0.76	0.87	0.72	na	na
CASH MARKETINGS (Annual Totals) ($000s)							
All Farm Products	$698,756	$949,667	$960,791	$990,983	$1,086,180	$934,886[3]	- 7.3[4]
Livestock	505,470	632,123	634,384	656,588	717,640	668,825[3]	- 1.4[4]
Crops	193,286	317,544	326,407	334,395	368,540	266,061[3]	-19.4[4]

na Not available.
1 cwt = hundred weight.
2 Subject to revision.
3 Total for the first 11 months of the year.
4 Percent change based on 11 months of 1986 compared to 11 months of 1985.
Source: U.S. Department of Agriculture, Economic Research Service and U.S. Department of Agriculture, New Mexico Agricultural Statistics Service.

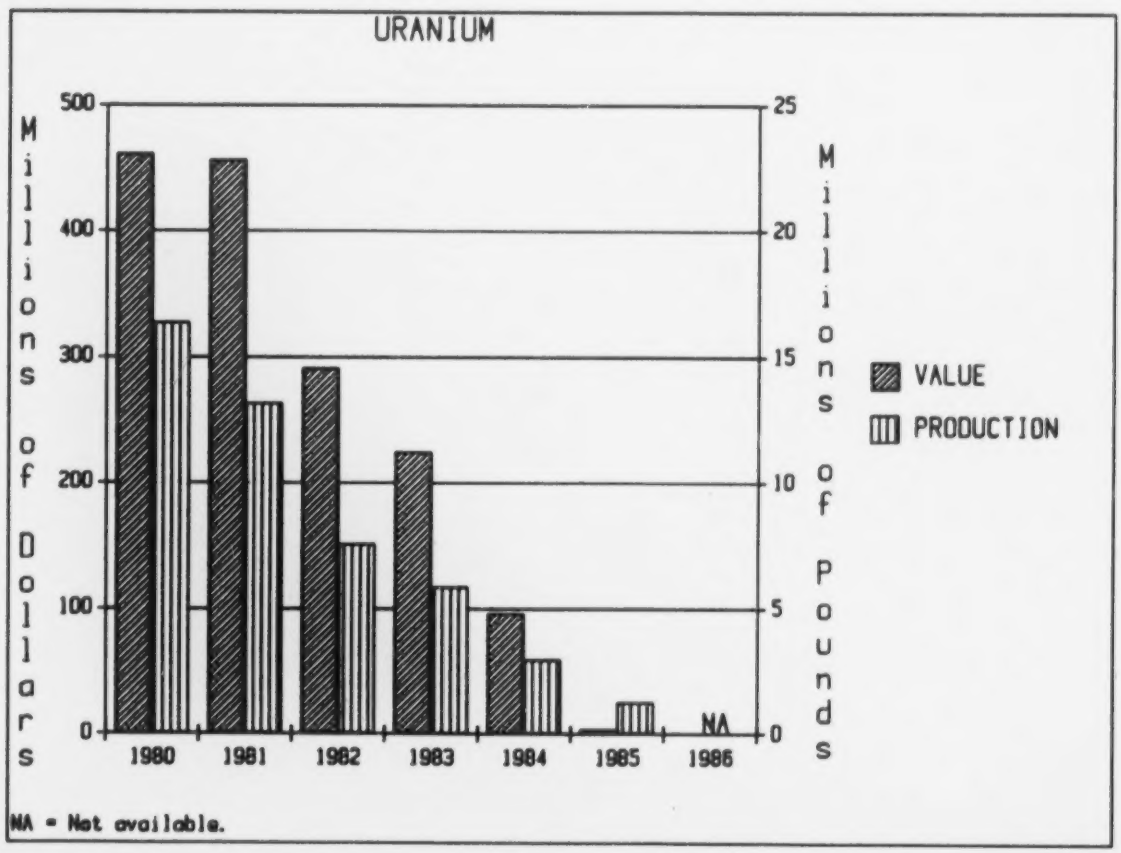
MINING



SELECTED MINERAL PRODUCTION IN NEW MEXICO

	1976	1980	1981	1982	1983	1984	1985	1986 p	% Change 1985-1986
Petroleum (crude) (000 42-gal. bbls.)	92,130	75,324	72,155	71,024	75,169	79,336	78,530	75,280[2]	-4.1
Natural Gas[1] (billion cubic ft.)	1,231	1,150	1,134	991	895	957	905	710[2]	-21.5
Copper (000 short tons)	172	165	170	66	w	w	w	w	na
Potash (000 short tons, K_2O equivalent)	2,083	2,060	1,765	1,650	1,409	1,563	1,235	1,059	-14.3
Natural Gas Liquids (000 42-gal. bbls)	42,144	45,414	45,544	42,853	42,735	50,604	38,574	34,100[2]	-11.6
Uranium (000 lbs., recoverable content U_3O_8)	13,000	16,400	13,200	7,600	5,900	3,000	1,300	na	na
Coal (000 short tons)	9,760	19,297	18,685	19,940	20,415	21,269	22,202	20,904	-5.8
Sands and Gravel (000 short tons)	7,702	7,050	7,300	5,616	7,000	8,363	8,400	7,600	-9.5
Perlite (000 short tons)	481	539	489	408	394	416	419	386	-7.9
Stone (000 short tons)	1,935	2,235	4,188	2,818	4,748	4,719	3,661	3,522	-3.8
Gold (000 troy ounces)	15	16	66	54	w	w	45	w	na
Silver (000 troy ounces)	892	1,274	1,632	805	w	w	w	w	na

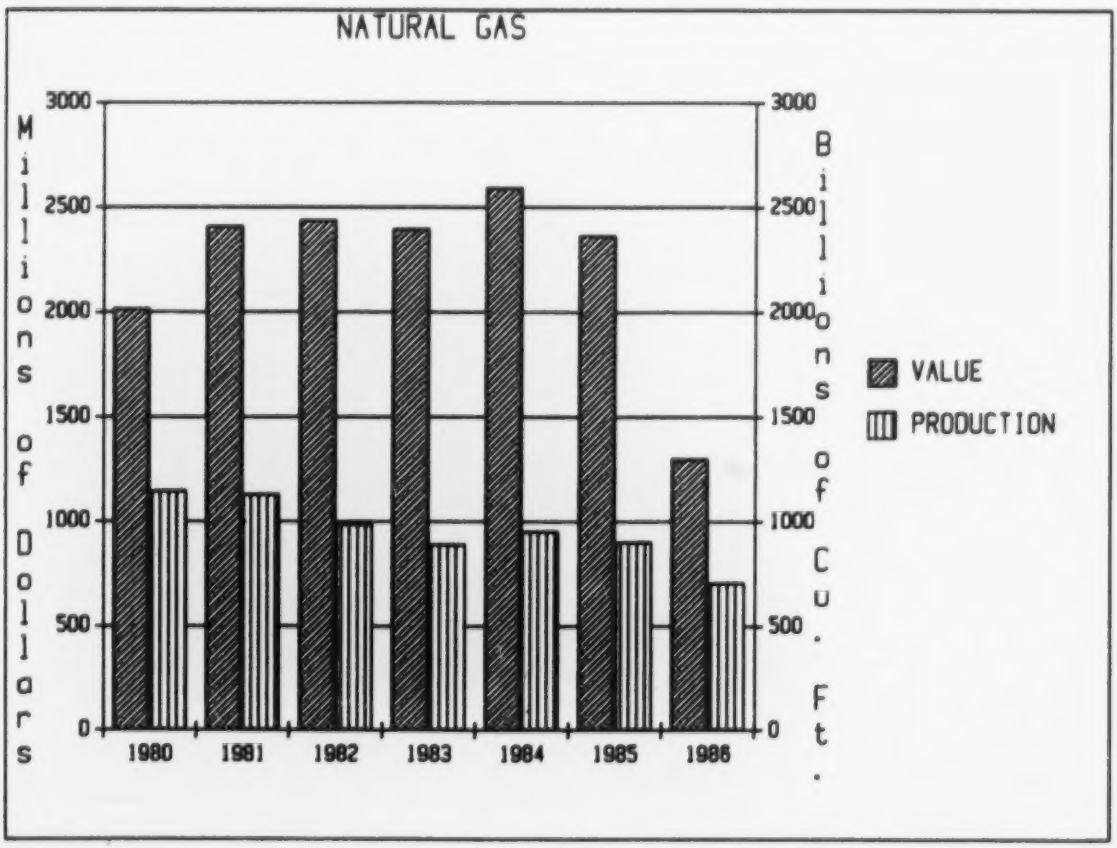
na Not available.
p Preliminary.
w Witheld to avoid disclosing confidential data of individual companies.
1 Marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
2 Estimate based on available data.
Source: U.S. Department of the Interior, Bureau of Mines, annual reports; the U.S. Department of Energy, Energy Information Administration, selected publications; and the New Mexico Energy and Minerals Department.



VALUE OF MINERAL PRODUCTION IN NEW MEXICO
($000s)

	1976	1980	1981	1982	1983	1984	1985	1986[p]	% Change 1985-1986
TOTAL	$2,510,127	$5,343,247[1]	$6,435,815[1]	$5,930,325[1]	$5,712,317[1]	$6,004,174[1]	$5,658,363[1]	$ na	na
Crude Petroleum	814,419	1,794,217	2,529,032	2,261,404	2,199,445	2,276,150	2,107,745	1,120,100	-46.9
Natural Gas[2]	695,501	2,021,315	2,415,033	2,443,891	2,402,769	2,599,121	2,369,980	1,305,200	-44.9
Copper	239,925	337,328	289,204	97,384	w	w	w	w	na
Potash	165,354	289,011	261,200	204,600	174,700	204,100	156,000	124,600	-20.1
Natural Gas Liquids	231,946	na	na	na	na	na	na	na	na
Uranium	191,271	461,660	457,380	291,612	225,439	97,140	4,000	na	na
Coal	w	270,351	339,693	382,649	367,470	412,619	519,749	na	na
Sand & Gravel	16,671	17,676	18,000	17,670	20,000	22,389	22,800	20,600	-9.7
Perlite	8,403	14,404	14,983	13,355	13,297	14,115	14,521	14,209	-2.1
Stone	4,394	7,350	12,658	13,838	15,262	17,149	15,509	15,278	-1.5
Gold	1,905	9,670	30,221	21,572	w	w	14,309	w	na
Silver	3,880	27,400	17,170	6,397	w	w	w	w	na
Other	136,458	92,865	51,241	175,953	293,935	361,391	433,750	433,680	z

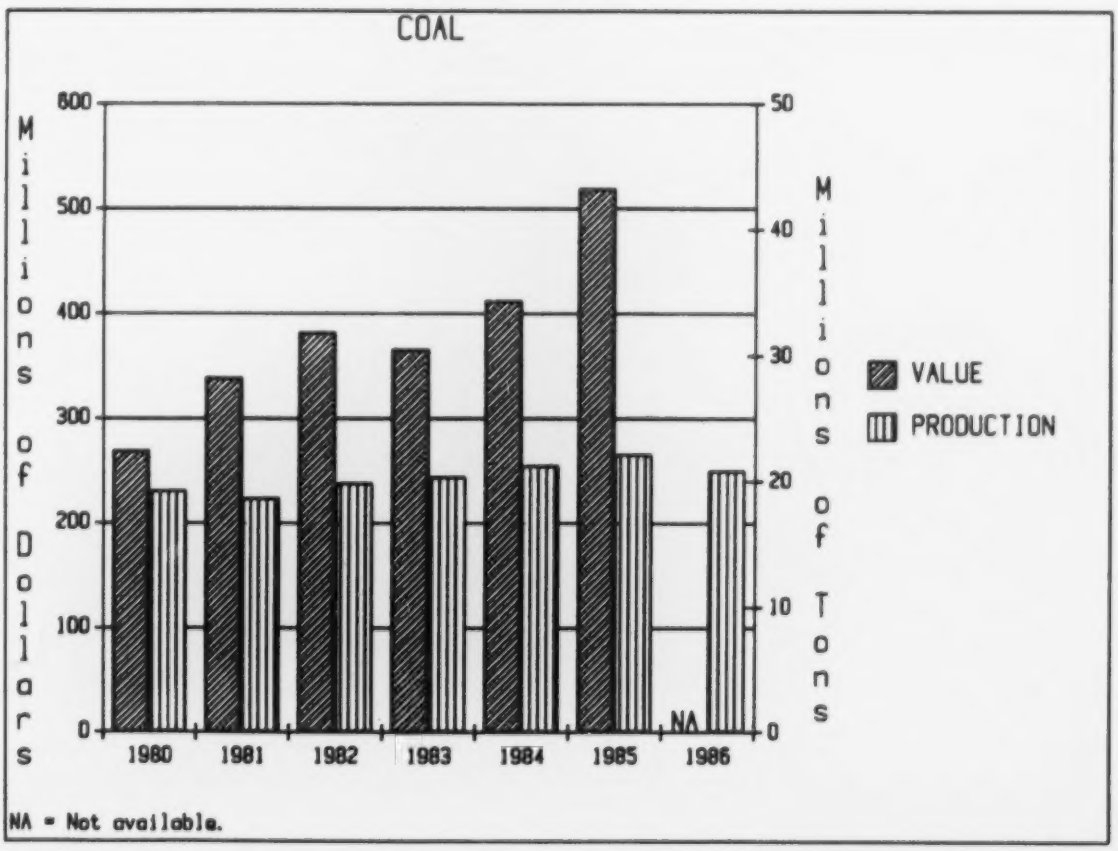
na Not available.
p Preliminary.
w Withheld to avoid disclosing individual company confidential data; included in "Other."
z Rounded to less than 0.1 percent.
1 Incomplete total, may not include the value of natural gas liquids.
2 Value of marketed production, i.e., gross withdrawals less gas used for repressuring and quantities vented and flared.
Source: U.S. Department of Interior, Bureau of Mines, annual reports, and the U.S. Department of Energy, Energy Information Administration.

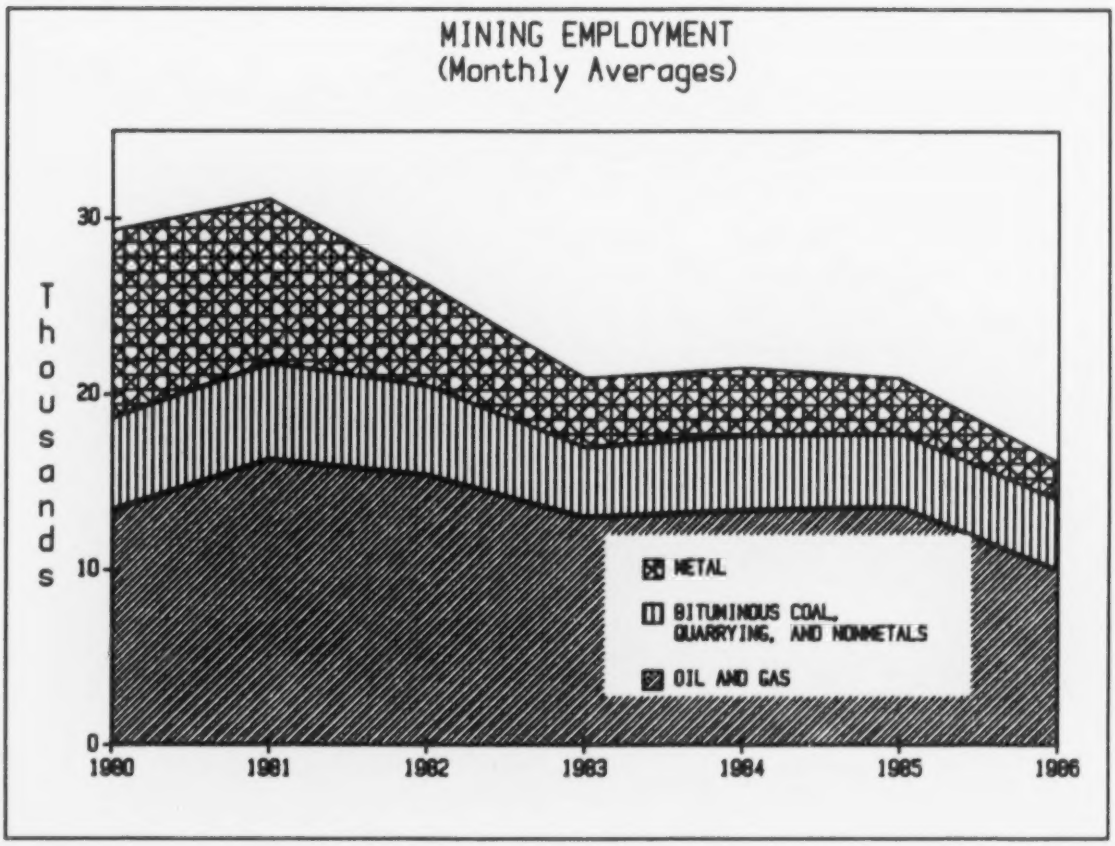


MINING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1976	1980	1981	1982	1983	1984	1985	1986 p	% Change 1985-1986
TOTAL	21,500	29,400	31,200	26,300	21,000	21,600	21,000	16,300	-22.4
Metal	9,000	10,700	9,400	5,800	4,000	3,900	3,200	2,200	-31.3
Nonmetal	4,300	5,300	5,500	5,100	4,000	4,300	4,200	4,000	-4.8
Oil & Gas	8,300	13,400	16,300	15,400	13,000	13,400	13,600	10,000	-26.5
Average Weekly Hours	42.5	43.0	44.1	42.2	42.4	41.9	42.3	40.0	-5.4
Average Weekly Earnings	$264.35	$395.60	$436.59	$470.53	$475.30	$481.85	$503.37	$502.80	-0.1

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.



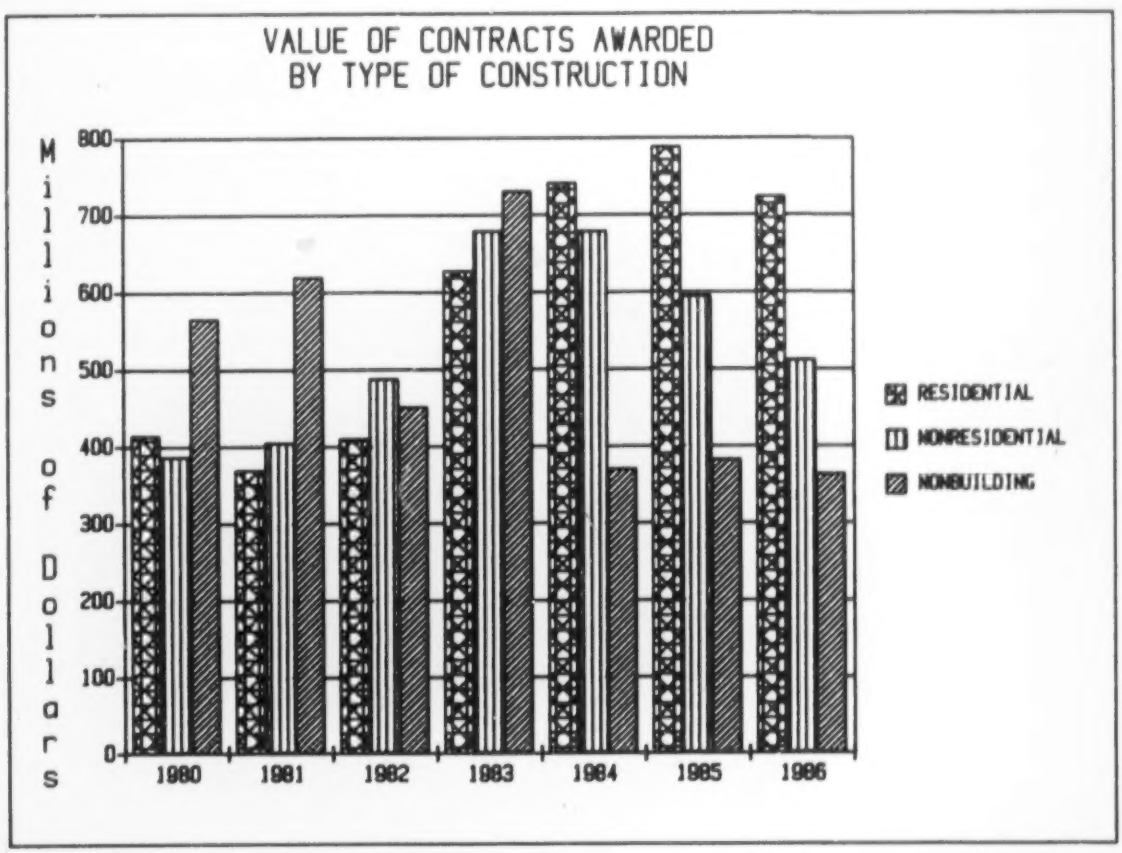

MINING EMPLOYMENT
(Monthly Averages)
Thousands
30
20
10
0
1980
1981
1982
1983
1984
1985
1986
METAL
BITUMINOUS COAL, QUARRYING, AND NONMETALS
OIL AND GAS

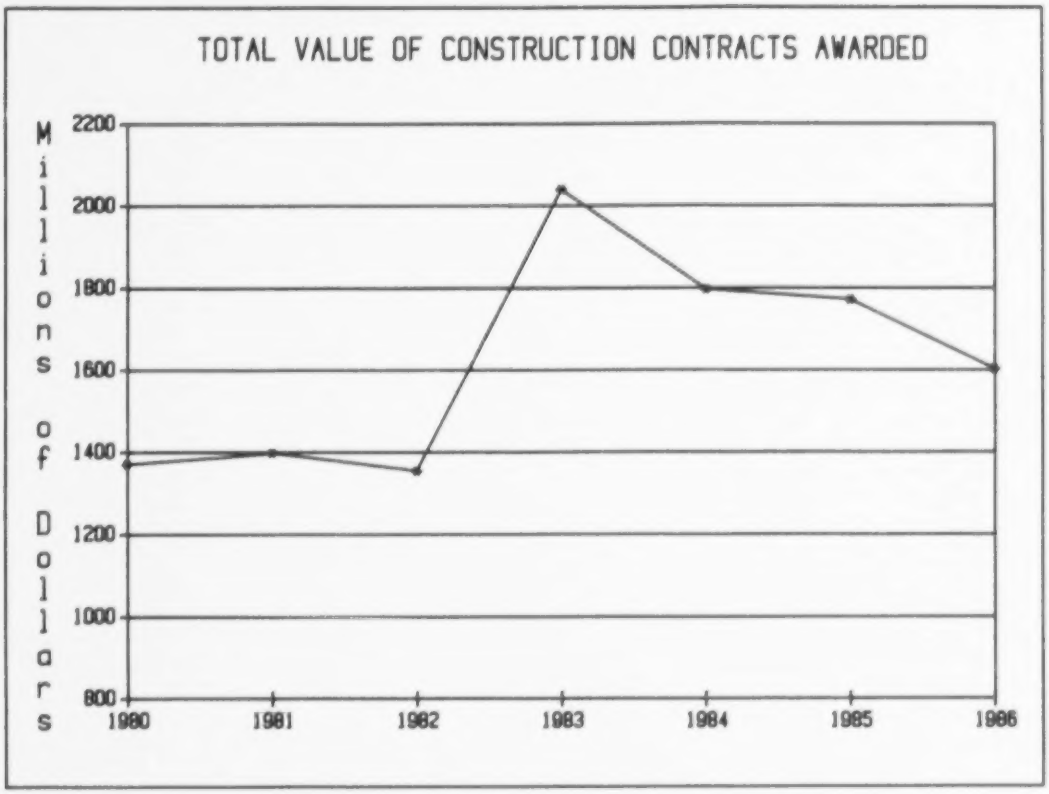
CONSTRUCTION

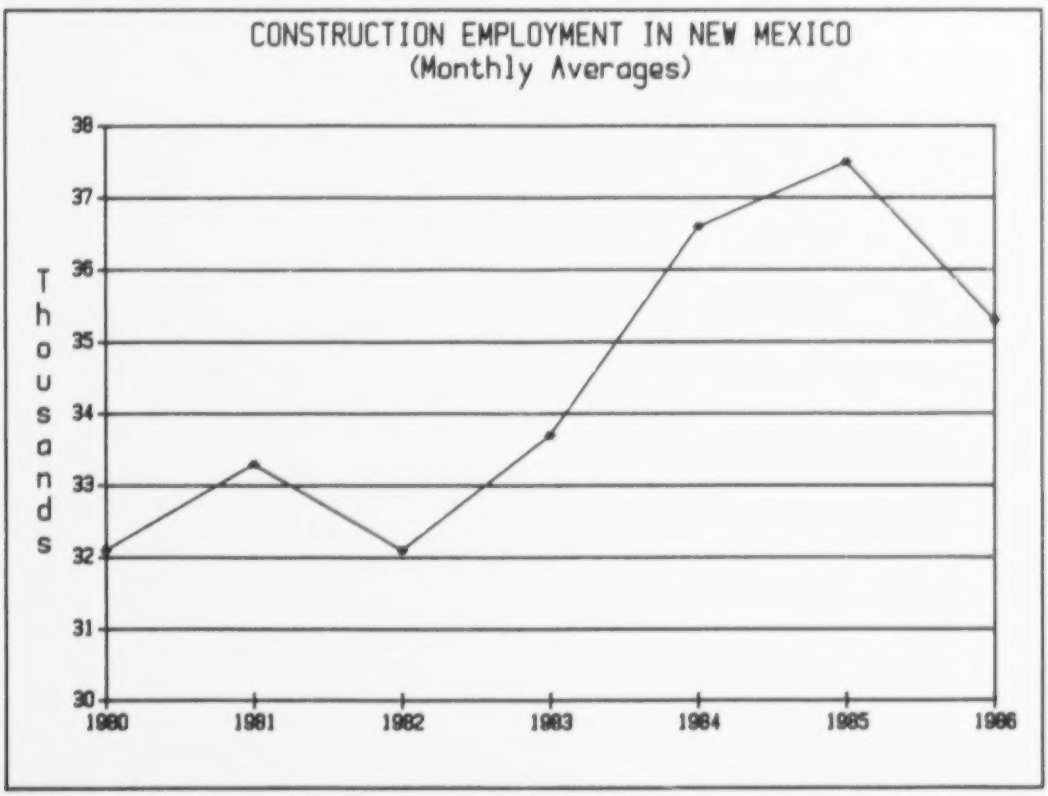
CONSTRUCTION IN NEW MEXICO

	1976	1980	1981	1982	1983	1984	1985	1986[p]	% Change 1985-1986
EMPLOYMENT[1]	26,100	32,100	33,300	32,100	33,700	36,600	37,500	35,300	-5.9
VALUE OF CONTRACTS AWARDED									
Total ($000s)	$632,236	$1,371,397	$1,397,856	$1,354,225	$2,040,090	$1,795,606	$1,770,642	$1,602,836	-9.5
Residential	334,062	416,307	370,661	412,456	628,529	743,463	790,136	724,563	-8.3
Nonresidential	173,351	387,770	406,357	488,854	680,023	680,339	596,469	513,418	-13.9
Nonbuilding	124,823	567,320	620,838	452,915	731,538	371,804	384,037	364,955	-5.0
BUILDING PERMITS									
Total Value ($000s)[2]	$ na	$ na	$ 679,000	$ 770,938	$ 952,745	$1,210,109	$1,097,929	$1,037,762	-5.5
Residential									
Value ($000s)	$227,522	$ 329,753	$ 324,096	$ 346,374	$ 493,158	$ 683,631	$ 567,041	$ 605,902	6.9
Number of Units Permitted									
Single Family	5,667	6,090	5,630	5,540	8,081	7,955	7,150	8,153	14.0
Multifamily	2,681	2,575	2,322	3,060	2,733	8,570	4,640	3,409	-26.5
Nonresidential[r]									
Value ($000s)	$ na	na	$ 248,850	$ 302,402	$ 320,479	$ 384,896	$ 379,376	$ 244,916	-35.4
Number of Permits	na	na	2,280	2,393	2,480	2,591	2,473	3,001	21.4

na Not available.
p Preliminary.
r Revised.
1 Monthly averages.
2 Total value includes new residential value, new nonresidential value, and the value of all additions and alterations (not shown separately).
Source: New Mexico Employment Security Department; F.W. Dodge Division, McGraw-Hill Information Systems Co.; and U.S. Department of Commerce, Bureau of the Census.




TOTAL VALUE OF CONSTRUCTION CONTRACTS AWARDED
Millions of Dollars
2200
2000
1800
1600
1400
1200
1000
800
1980
1981
1982
1983
1984
1985
1986

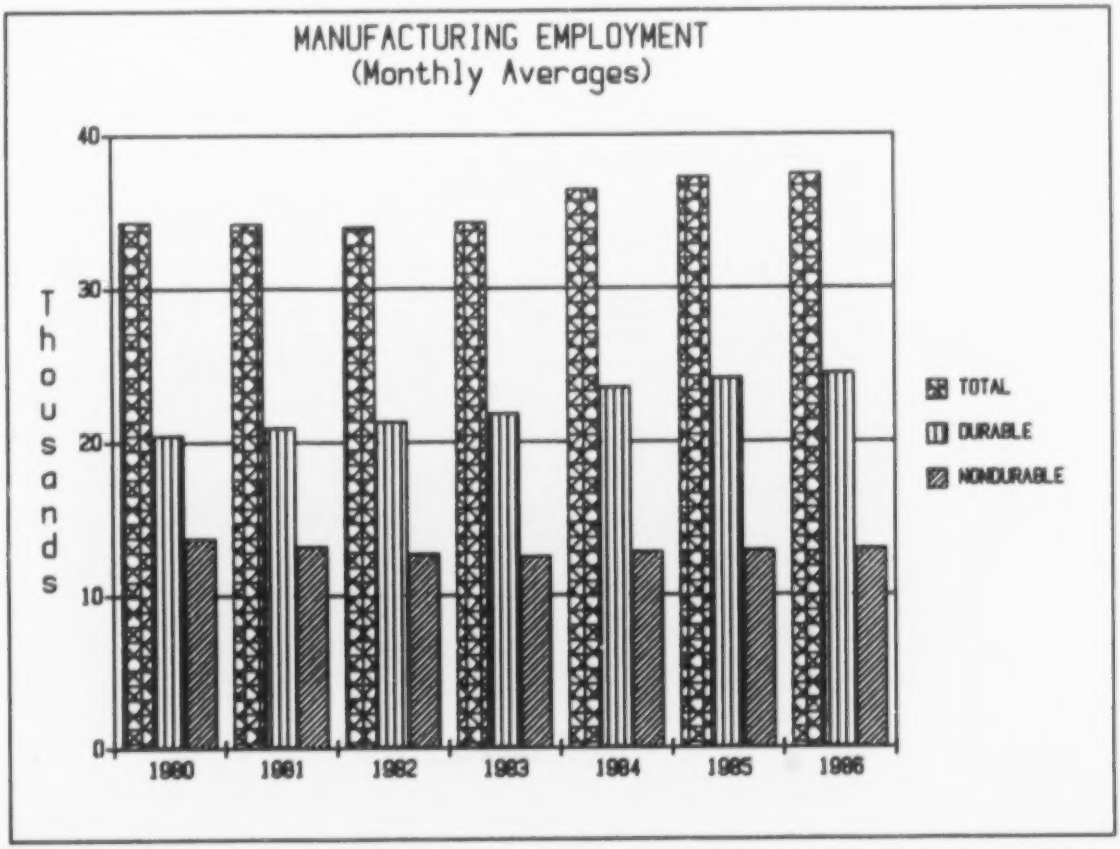

CONSTRUCTION EMPLOYMENT IN NEW MEXICO
(Monthly Averages)
Thousands
38
37
36
35
34
33
32
31
30
1980
1981
1982
1983
1984
1985
1986

MANUFACTURING

MANUFACTURING EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1976	1980	1981	1982	1983	1984	1985	1986 p	% Change 1985-1986
TOTAL	30,300	34,400	34,300	34,100	34,400	36,500	37,300	37,500	0.5
Durable Goods	17,900	20,500	21,000	21,400	21,900	23,600	24,200	24,500	1.2
Lumber & Wood Products	2,900	2,600	2,600	2,100	2,300	2,600	2,600 1	2,700 1	3.8 1
Electrical Equipment	3,100	3,500	3,500	4,400	4,900	6,400	5,900 1	4,500 1	-23.7 1
Transportation Equipment	2,100	3,900	3,800	4,100	3,900	3,500	4,000	4,200	5.0
Other	9,700	10,500	11,200	10,900	10,700	11,200	11,700	13,000	11.1
Nondurable Goods	12,500	13,800	13,300	12,800	12,600	12,900	13,000	13,100	0.8
Food & Kindred Products	4,700	4,600	4,100	3,900	4,000	4,100	4,200	4,300	2.4
Textile & Apparel	3,200	3,800	3,600	3,000	2,600	2,500	2,400	2,400	0.0
Other	4,600	5,500	5,700	5,900	6,000	6,300	6,500	6,400	-1.5
Average Weekly Hours	39.5	39.8	39.5	39.2	39.7	39.9	39.8	39.5	-0.8
Average Weekly Earnings	$160.77	$230.44	$258.33	$283.02	$301.72	$318.40	$334.72	$346.81	3.6

* Detail may not add up to total because of rounding.
p Preliminary.
1 Declines in the electrical equipment sector are partly due to classification changes that moved a substantial number of workers into another manufacturing group.
Source: New Mexico Employment Security Department.

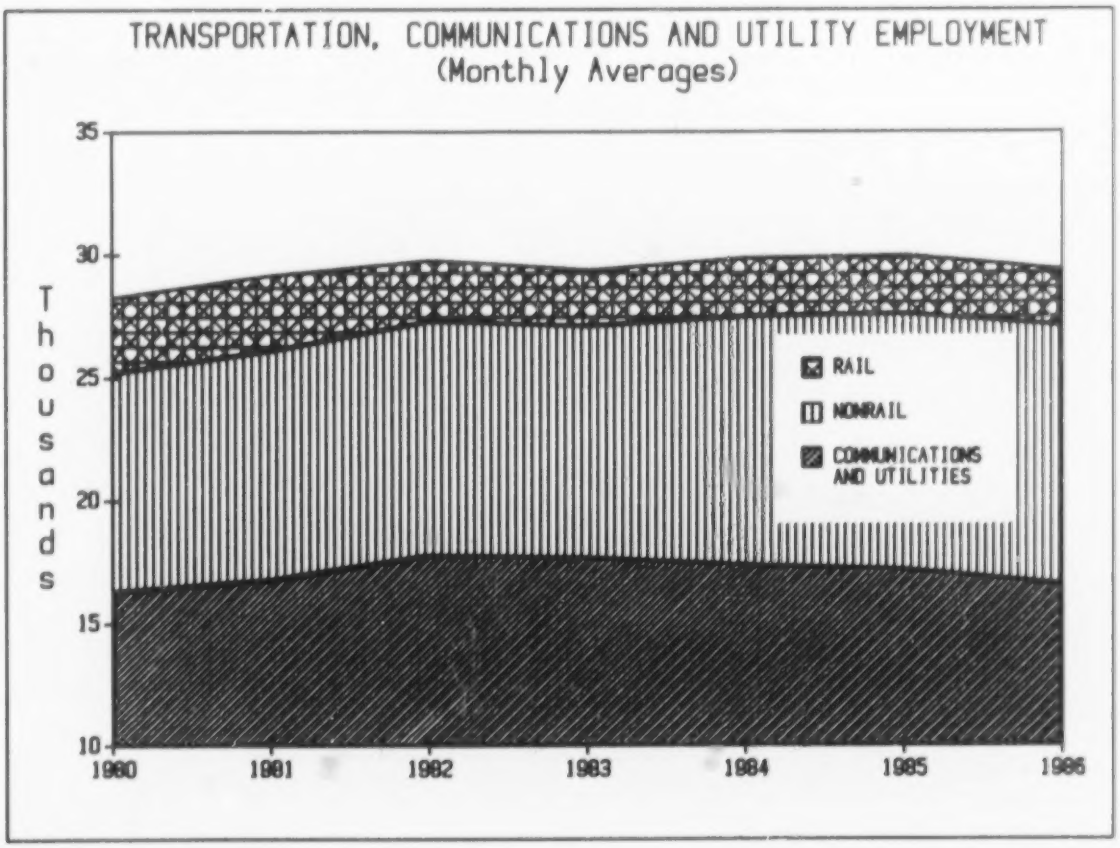


TRANSPORTATION, COMMUNICATIONS AND UTILITIES

EMPLOYMENT IN TRANSPORTATION, COMMUNICATIONS AND UTILITIES IN NEW MEXICO*
(Monthly Averages)

	1976	1980	1981	1982	1983	1984	1985	1986p	% Change 1985-1986
TOTAL	23,400	28,300	29,200	29,900	29,500	30,000	30,000	29,300	-2.3
Rail	2,600	3,100	3,100	2,500	2,300	2,400	2,400	2,300	-4.2
Nonrail	7,600	8,900	9,300	9,500	9,400	10,100	10,400	10,500	1.0
Trucking & Warehousing	4,600	5,400	5,700	5,700	5,500	6,000	6,200	6,000	-3.2
Other Transportation	3,000	3,500	3,600	3,800	3,900	4,100	4,200	4,500	7.1
Utilities & Communications	13,100	16,300	16,800	17,800	17,700	17,400	17,200	16,600	-3.5
Communication	6,100	7,500	7,500	8,000	8,000	7,700	7,400	6,900	-6.8
Electric & Gas Utilities	7,000	8,800	9,300	9,800	9,700	9,700	9,800	9,700	-1.0

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.

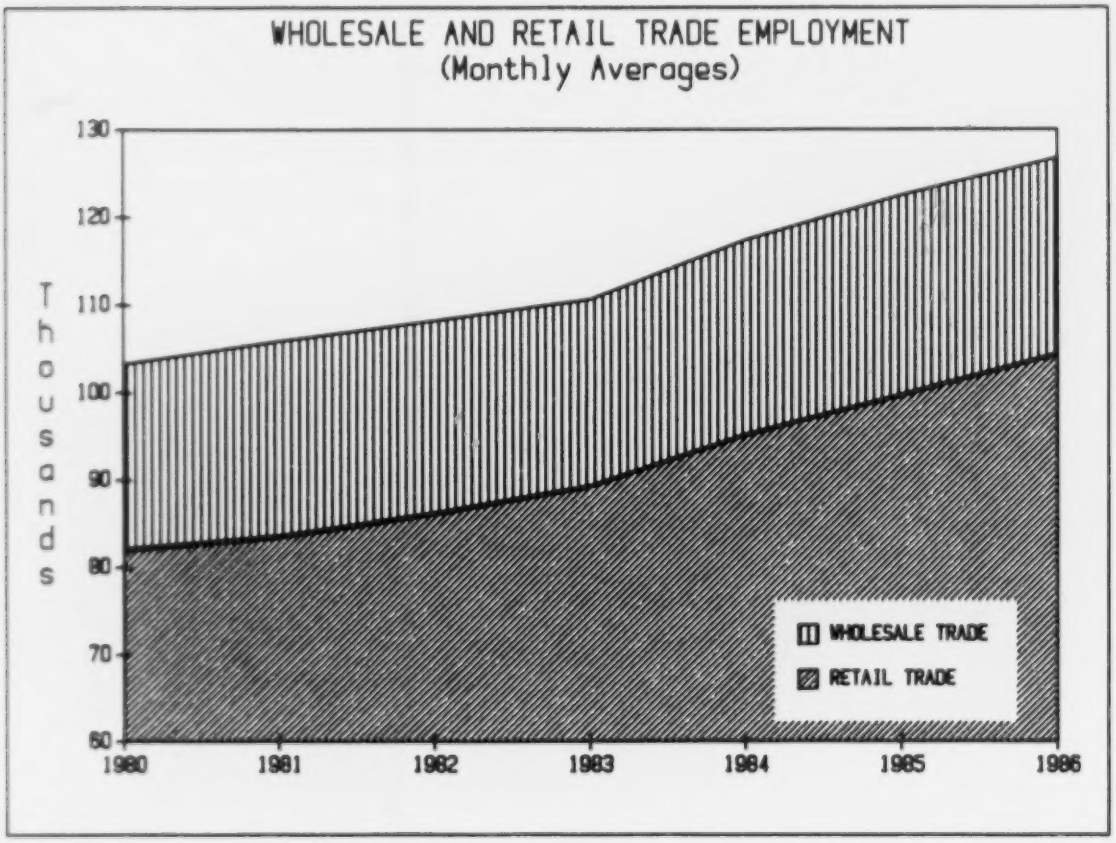


WHOLESALE AND RETAIL TRADE

WHOLESALE AND RETAIL TRADE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1976	1980	1981	1982	1983	1984	1985	1986 p	% Change 1985-1986
TOTAL	90,400	103,400	106,000	108,300	110,700	117,500	122,600	126,900	3.5
Wholesale	17,600	21,400	22,500	22,200	21,500	22,400	23,000	22,600	-1.7
Retail	72,700	82,000	83,500	86,100	89,200	95,100	99,600	104,300	4.7
Average Weekly Hours [1]	36.3	35.0	35.2	35.7	35.4	32.2	33.0	32.2	-2.4
Average Weekly Earnings [1]	$153.19	$219.80	$235.14	$243.47	$249.22	$211.55	$219.45	$217.99	-0.7

* Detail may not add up to total because of rounding.
p Preliminary.
1 Sectors are combined. Excludes eating and drinking establishments through 1983.
Source: New Mexico Employment Security Department.

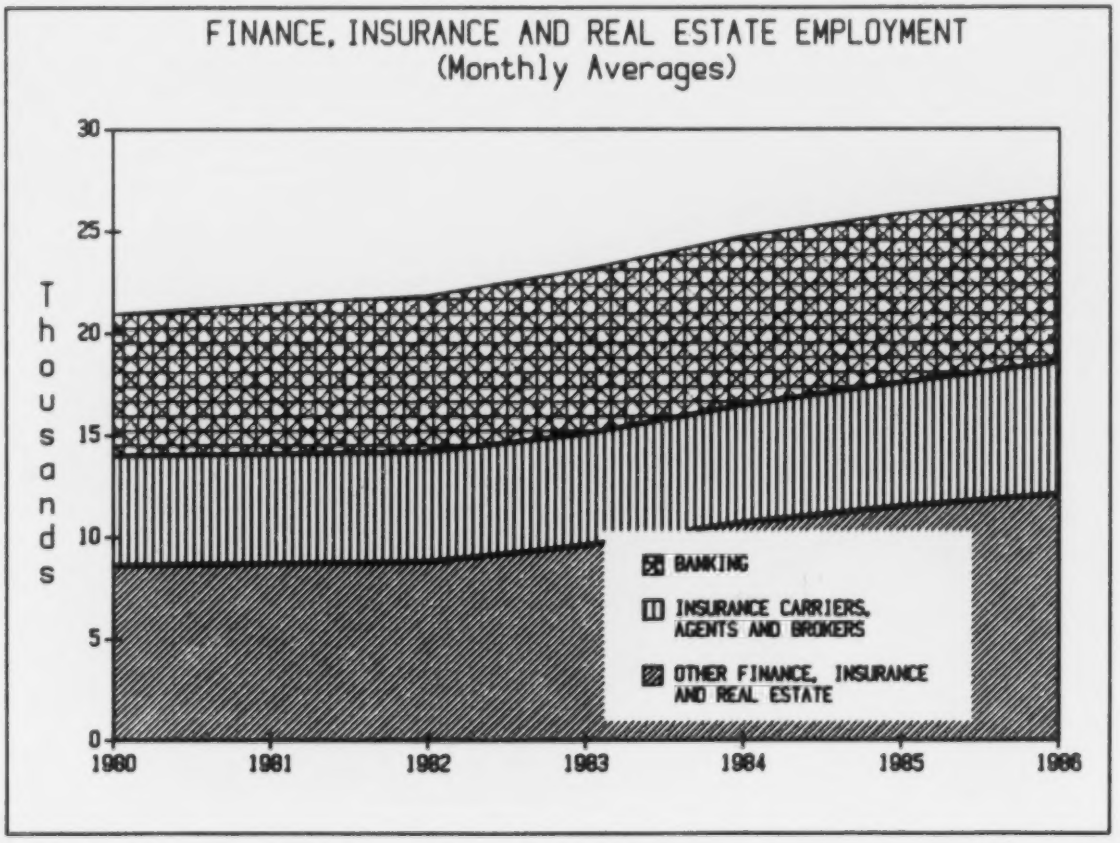


FINANCE, INSURANCE AND REAL ESTATE

FINANCE, INSURANCE AND REAL ESTATE EMPLOYMENT IN NEW MEXICO*
(Monthly Averages)

	1976	1980	1981	1982	1983	1984	1985	1986p	% Change 1985-1986
TOTAL	17,000	21,100	21,500	21,900	23,200	24,700	25,800	26,700	3.5
Banking	5,700	7,000	7,400	7,700	8,100	8,300	8,300	8,100	-2.4
Insurance Carriers, Agents & Brokers	4,300	5,400	5,400	5,400	5,500	5,800	6,100	6,500	6.6
Other Finance, Insurance & Real Estate	7,000	8,600	8,700	8,800	9,600	10,700	11,500	12,100	5.2

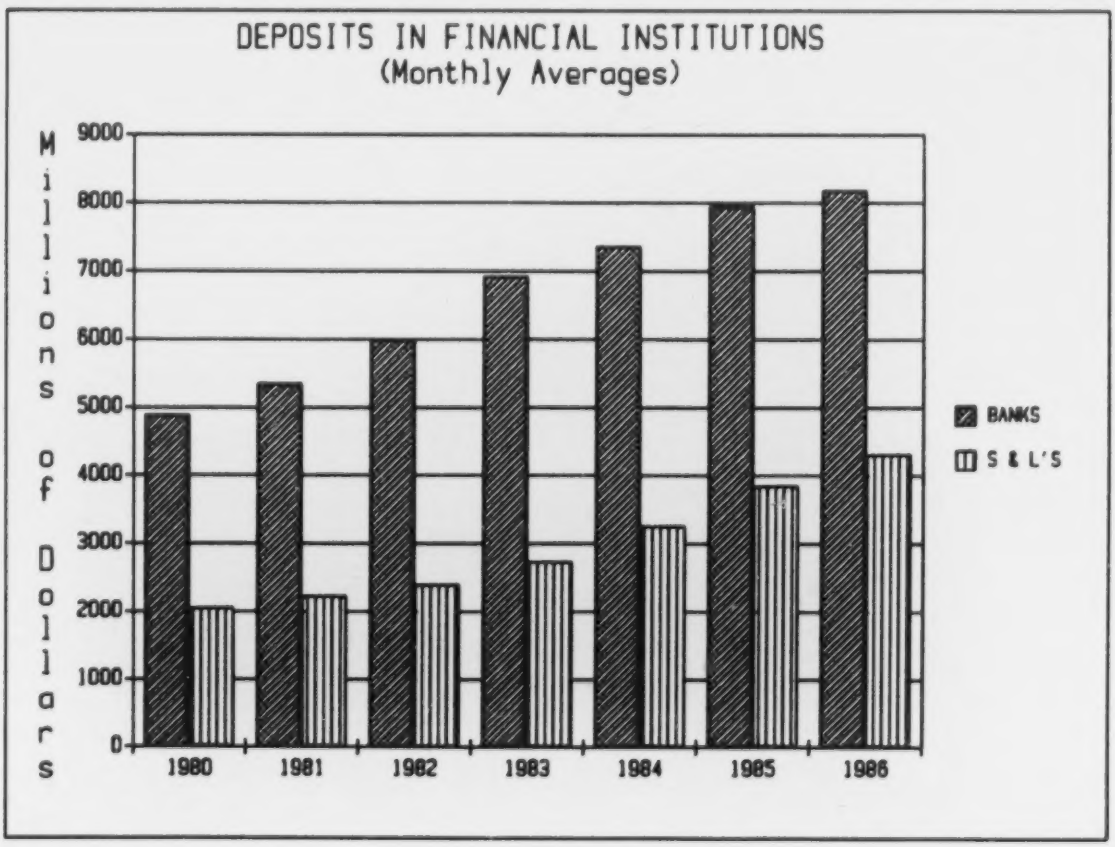
* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.



FINANCIAL ACTIVITY
($ Millions)

FINANCIAL INSTITUTIONS	1976	1980	1981	1982	1983	1984	1985	1986 p	% Change 1985-1986
Banks [1]									
Assets	$3,502	$5,648	$6,328	$7,115	$8,057	$8,648	$9,182	$9,516	3.6
Deposits	3,131	4,906	5,368	6,007	6,935	7,376	7,956	8,196	3.0
Gross Loans	1,919	3,102	3,400	3,816	4,253	5,000	5,466	5,608	2.6
Savings & Loan Associations [2]									
Assets	$ na	$2,483	$2,724	$2,932	$3,411	$4,043	$4,640	$5,328	14.8
Deposits	1,127	2,064	2,241	2,408	2,742	3,268	3,862	4,322	11.9
New Savings Received	50	179	179	215	316	482	na	na	na
MISCELLANEOUS									
Life Insurance Sales	$1,038	$2,112	$2,667	$3,354	$4,142	$4,194	$4,630	na	na
New Business Incorporations	1,830	2,450	2,588	2,455	2,475	2,878	2,843	2,023 [3]	na

na Not available.
p Preliminary.
1 Midyear figures.
2 Monthly averages.
3 Total for the first ten (10) months of the year.
Source: The Federal Reserve Bank; Federal Home Loan Bank of Dallas; Life Insurance Fact Book, various issues; and Dun & Bradstreet, Inc.

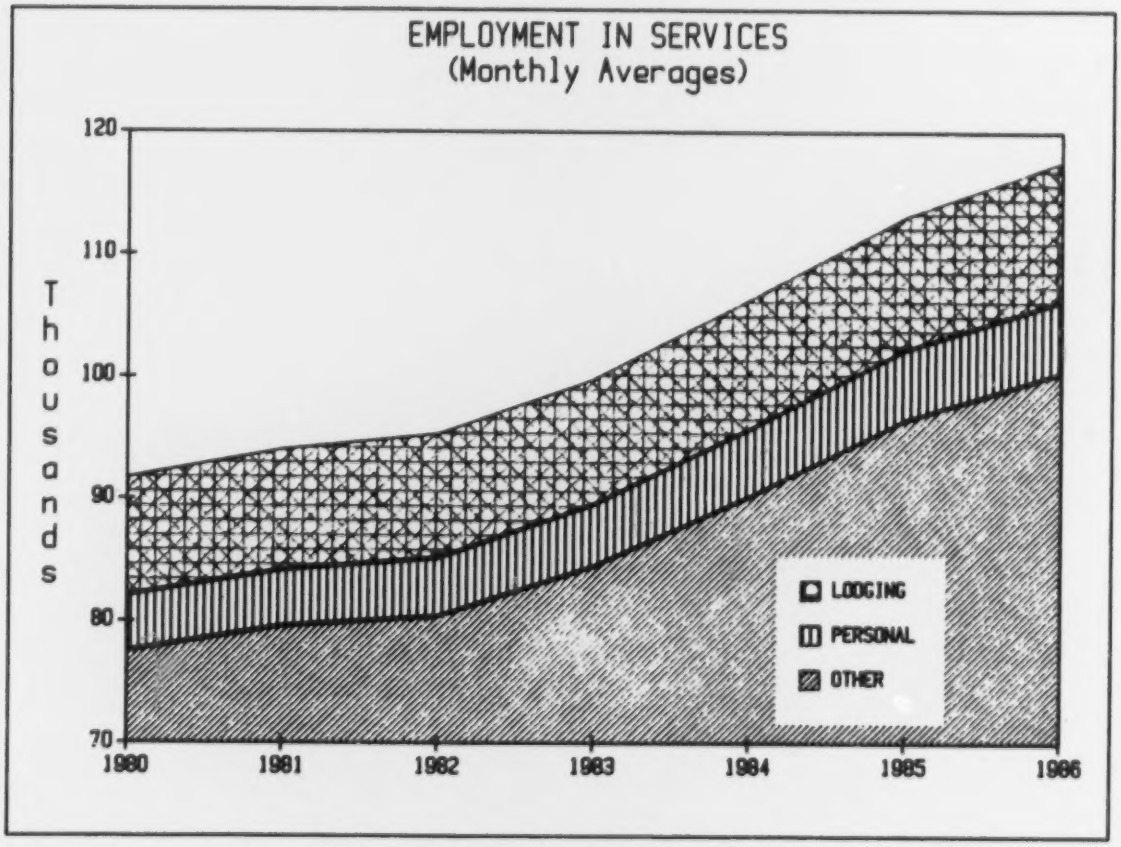


SERVICES, RECREATION AND TOURISM

EMPLOYMENT IN SERVICES IN NEW MEXICO*
(Monthly Averages)

	1976	1980	1981	1982	1983	1984	1985	1986 p	% Change 1985-1986
TOTAL	73,300	91,800	94,100	95,500	99,700	106,300	113,200	117,700	4.0
Lodging Establishments	8,900	9,700	9,900	10,200	10,300	10,600	10,900	11,400	4.6
Personal	4,300	4,600	4,600	4,800	5,100	5,600	5,800	5,900	1.7
Business	14,300	18,900	20,400	21,000	22,000	24,400	26,700	27,700	3.7
Medical	16,500	20,800	22,300	23,800	25,100	26,000	27,100	29,100	7.4
Social	7,900	10,300	8,900	6,600	6,600	7,000	7,100	6,700	-5.6
Nonprofit Organizations	4,100	5,300	4,900	4,800	5,400	5,700	6,300	6,300	0.0
Other	17,400	22,200	23,100	24,200	25,200	27,100	29,300	30,600	4.4

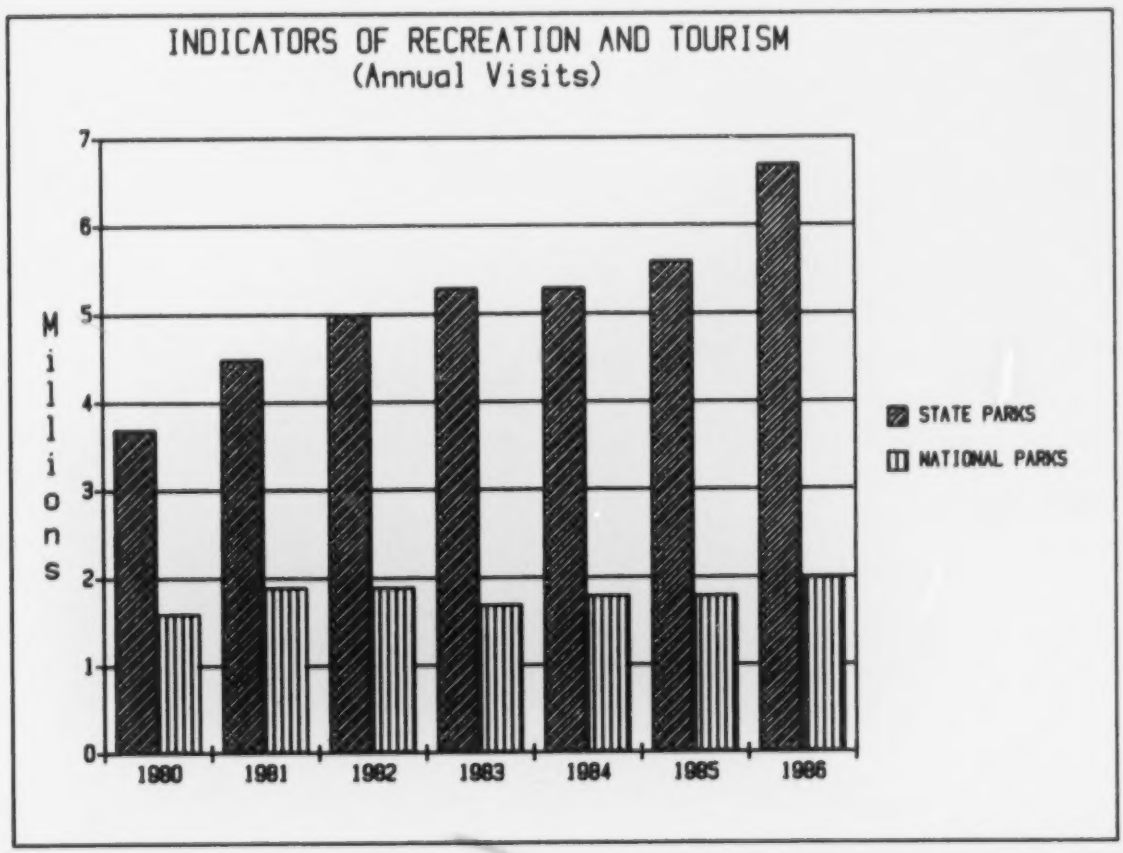
* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.



INDICATORS OF RECREATION AND TOURISM IN NEW MEXICO

	1976	1980	1981	1982	1983	1984	1985	1986[p]	% Change 1985-1986
AVERAGE MONTHLY EMPLOYMENT									
Lodging Establishments	8,900	9,700	9,900	10,200	10,300	10,600	10,900	11,400	4.6
Eating & Drinking Places	21,000	26,500	27,800	29,500	31,500	33,700	35,400	37,500	5.9
VISITS TO NATIONAL PARKS & MONUMENTS									
Annual Total	2,077,730	1,646,460	1,850,906	1,866,398	1,732,720	1,782,960	1,773,500	2,004,690	13.0
Quarterly Total: I	255,940	222,940	263,734	263,433	243,460	255,030	232,870	368,110	58.1
II	698,510	542,880	598,004	619,139	530,390	604,540	573,940	608,490	6.0
III	881,640	645,060	709,336	731,139	712,230	665,670	691,290	748,420	8.3
IV	241,640	235,580	279,832	252,687	246,640	257,720	275,400	279,670	1.6
VISITS TO STATE PARKS									
Annual Total	2,552,496	3,679,620	4,502,456	4,951,065	5,323,311	5,332,883	5,619,812	6,680,095	18.9

p Preliminary.
Source: New Mexico Employment Security Department; U.S. Department of the Interior, National Park Service; and the New Mexico Natural Resources Department, Park and Recreation Division.

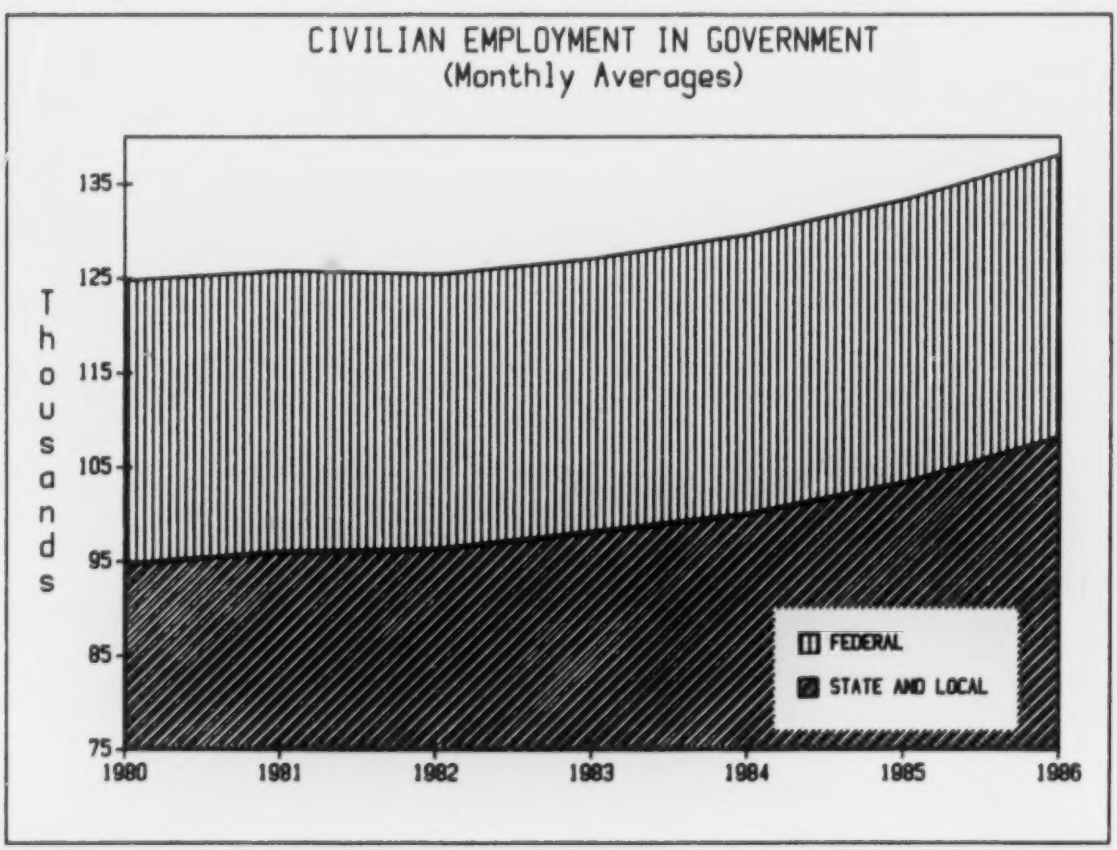


GOVERNMENT EMPLOYMENT

CIVILIAN EMPLOYMENT IN GOVERNMENT IN NEW MEXICO*
(Monthly Averages)

	1976	1980	1981	1982	1983	1984	1985	1986 p	% Change 1985-1986
TOTAL	108,000	125,000	125,800	125,600	127,200	129,700	133,300	138,200	3.7
Federal	28,400	30,200	29,900	29,200	29,100	29,700	30,100	30,000	-0.3
State & Local	76,600	94,700	96,000	96,300	98,100	100,000	103,300	108,200	4.7
State	31,200	42,700	44,100	43,100	43,600	44,600	47,200	50,600	7.2
Local	45,400	52,000	51,900	53,200	54,500	55,400	56,100	57,600	2.7

* Detail may not add up to total because of rounding.
p Preliminary.
Source: New Mexico Employment Security Department.



New Mexico's Population Aging Gracefully

State population estimates by age, recently released by the Census Bureau, show that New Mexico's population is aging as quickly as the rest of the nation in the 1980's. The median age of the state increased by 1.6 years from 1980 to 1985—compared to an increase of 1.5 years in the national median age. Yet, significant differences between New Mexico and the U.S. remain. New Mexico still has a younger population with a median age of 28.9 years in 1985 compared to the national median of 31.5 years, and the differences by age groups are striking.

The youngest population, children under the age of 5 years, is at its highest level in the United States since 1967. After a decrease of almost 5 percent in the 1970s, the ranks of preschoolers have increased by over 10 percent since 1980. In New Mexico, the growth in this age group has been twice as fast, over 20 percent, 1980-1985. However, this does not reflect a turnaround from a decrease in the 1970s, but simply an acceleration from a 19 percent increase in the past decade. As a result of continued in-migration and the higher levels of fertility beginning in the late 1970s, children under 5 years represented almost 10 percent of the state's population in 1985—compared to less than 8 percent nationally.

Consistently higher levels of fertility have effected different trends in the 5-17 age group, too. Nationally, this population has been decreasing since 1970. Only 10 states in the South and West, including New Mexico, have experienced an increase in the 5-17 ages. Changes range from –12.5 percent in New England to an average gain of 5 percent in the Mountain states and 2.3 percent in New Mexico.

Only among young adults, aged 18-24 years, has there been a decrease in New Mexico, like the U.S. Although the loss of population, –0.2 percent, is negligible here, it represents a significant change from the increase of 48 percent in the 1970s. The aging of the baby boom generation and decreasing levels of in-migration have contributed to the declining number of young adults in New Mexico.

The baby boom cohort has grown up, and the most rapid increases are evident now among 25-44 year olds. Representing over 30 percent of the total population, this cohort continues to dominate the changing age composition of the population in New Mexico and the rest of the nation. However, since 1970, the growth of this population has decelerated somewhat here. Although the rate of growth continues to exceed national change—21 percent compared to under 18 percent, 1980-1985, the difference is narrowing with the lower levels of migration into New Mexico in the 1980s. Growth in this age group is more pronounced among states with higher rates of in-migration, like Arizona and Colorado.

Migration also differentiates change among the states in the middle ages, 45-64 years. Since this age group includes the smaller cohorts of the Depression era, growth tends to be slow—less than 1 percent from 1980 to 1985. In the North, continued out-migration resulted in a loss of population aged 45 to 64 years in every state but New Hampshire, the only state with net in-migration of over 1 percent in 5 years. In the South and West, the average increase among 45-64 year olds has been about 5 percent. And in New Mexico, an increase of almost 8 percent has maintained growth, but at lower levels than the increase of almost 29 percent from 1970 to 1980.

The most dramatic decrease in growth locally, however, has been among the elderly, persons aged 65 years and older. The apparent youth of New Mexico's population has masked a rapid increase in the elderly—over 64 percent 1970-1980. Again, decreasing levels of in-migration have reduced the rate of growth to less than 20 percent in the 1980s. This change, however, is typical. Nationally, the increase among the 65 and over group has slowed a little; regionally, the younger states of the South and West continue to experience more rapid growth among the elderly, 30.5 percent 1980-1985, than the Northern states, 17.3 percent as a result of differential rates of migration.

Regional variations in the age composition of the population reflect both migration and historical patterns of fertility. New Mexico's younger population is similar to other Western and, particularly, Mountain states because fertility and migration are higher here. Even recent, 1970-1985, variations in the age distribution of the state's population can be understood through the components of change.

The population pyramids from 1970 to 1985 show the accelerated increase in the preschool population in the 1980s and the slower growth of the adult age groups. Although average annual increase in the state's population has not changed significantly, from + 28,600 in the 1970s to 28,000 in the 1980s, there has been a shift in the components of change that explains the variable growth by age. Migration contributed to almost half of the growth in the 1970s—dropping to 35 percent of total growth in the 1980s. As migration decreased, however, births increased. The so-called "echo effect" of the original baby boom is the inevitable result of the increased number of women from the baby boom generation entering their childbearing years. This aging of the population has contributed to the decrease of migration and the increase in fertility—maintaining growth by changing the age composition.

Population estimates by age for all states from 1980 to 1985 and intercensal estimates by age, 1971 to 1979, may be requested from the Data Bank, 277-6626. Similar data for counties are not available.

Lynn Bodin Wombold
Senior Demographer

NEW MEXICO POPULATION ESTIMATES BY AGE

Age	1985[1]	1984	1983	1982	1981	1980[2]
Totals[3]	1,450	1,426	1,402	1,368	1,335	1,303
< 5 years	138	136	133	127	121	115
5-14	238	234	231	227	224	224
15-24	250	252	255	256	257	258
25-34	250	245	241	234	228	217
35-44	188	180	171	162	150	145
45-54	130	129	127	125	123	122
55-64	117	116	114	111	109	107
65-74	86	84	82	80	78	75
75+ years	53	51	48	46	44	41
16+ years	1,049	1,032	1,015	991	966	939
18+ years	1,002	986	967	941	914	885

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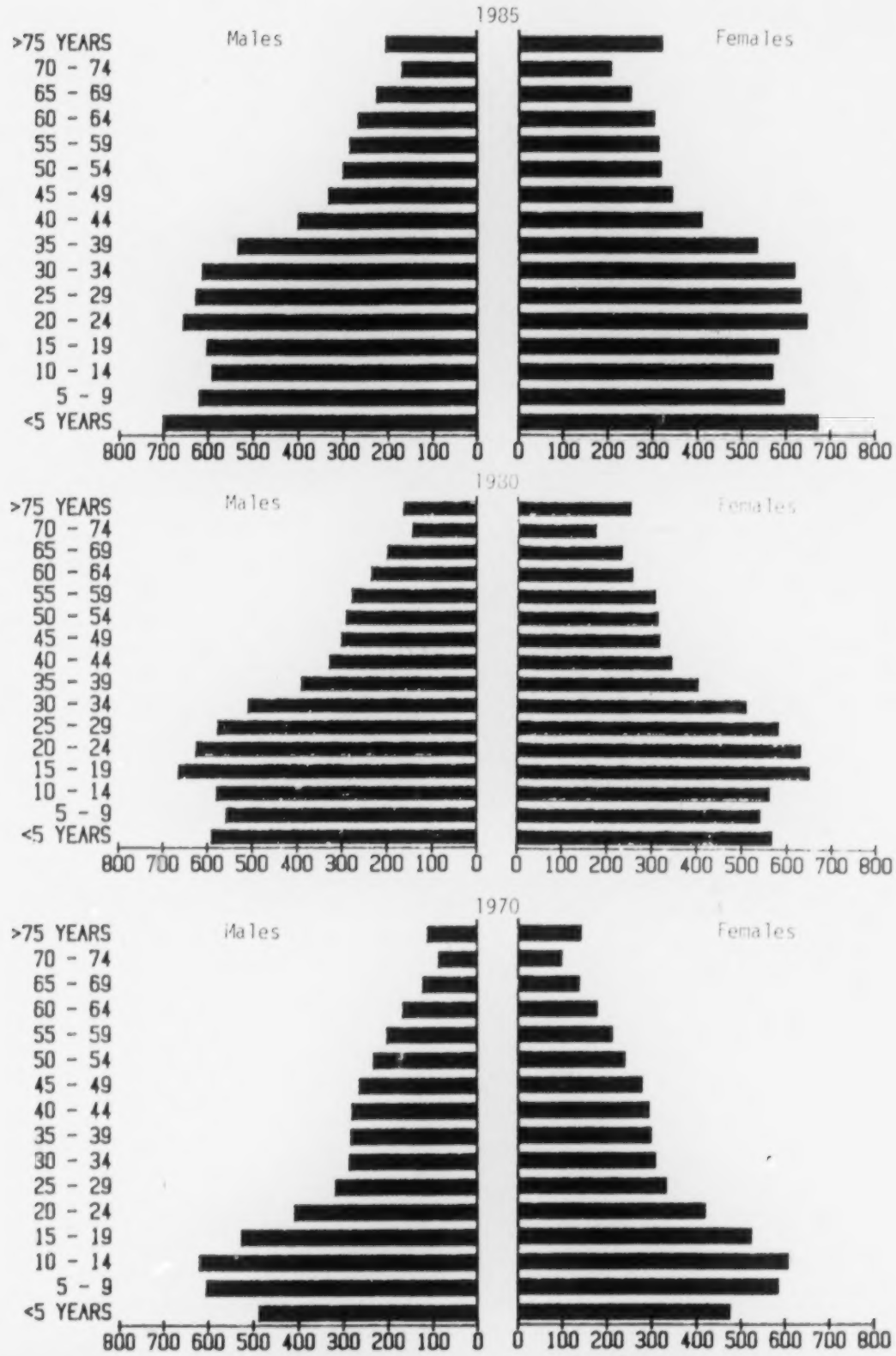
[1] All estimates refer to July 1 of the estimate year. Data for 1985 is provisional.
[2] 1980 Census, April 1.
[3] All figures shown in thousands; detail may not sum to totals due to rounding.

PERCENT CHANGE IN POPULATION BY AGE: 1980-1985

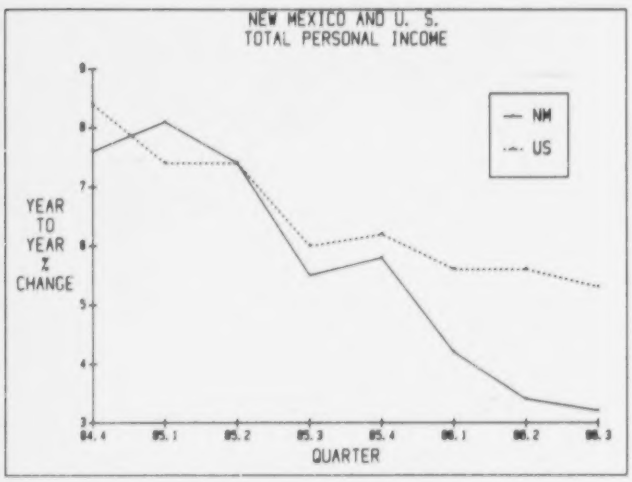
Area	Total Population	Under 5 Years	5-17 Years	18-24 Years	25-44 Years	45-64 Years	65+ Years
United States	5.4	10.3	-5.1	-5.1	17.6	0.9	11.7
Northeast	1.5	6.8	-11.5	-4.2	12.9	-2.9	8.3
Midwest	0.6	2.4	-8.2	-10.5	12.0	-3.8	9.0
South	8.6	12.6	-2.5	-1.1	21.1	5.5	13.5
West	10.8	20.3	1.6	-5.7	24.0	4.6	17.0
Mountain	12.5	15.9	5.0	-4.2	25.7	6.6	21.4
New Mexico	11.3	20.1	2.3	-0.2	21.3	7.9	19.6
Arizona	17.2	26.4	4.7	2.1	31.0	12.3	27.5
Colorado	11.8	23.3	0.8	-7.3	26.1	7.8	15.4
Idaho	6.4	1.0	7.3	-7.8	16.3	-2.6	16.8
Montana	5.0	8.8	-2.0	-9.1	15.8	-1.0	15.4
Nevada	16.9	19.4	-4.2	1.5	33.1	11.9	41.4
Utah	12.6	2.5	19.7	-6.8	26.1	1.8	19.1
Wyoming	8.5	12.7	8.7	-16.0	25.6	-6.4	13.1

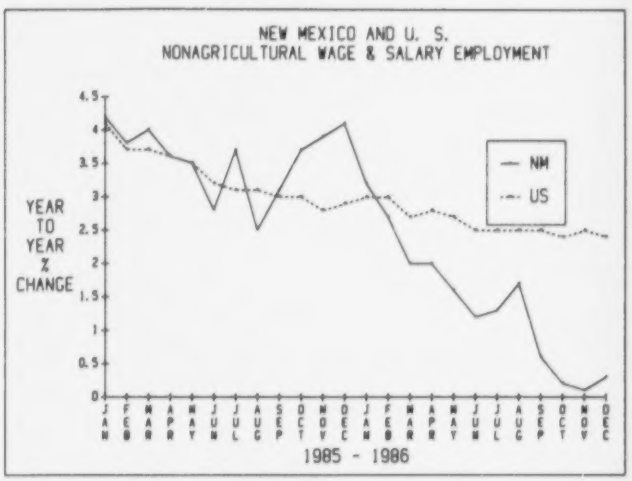
Source: U.S. Bureau of the Census, State Population and Household Estimates to 1985, With Age And Components of Change, Current Population Reports, Series P-25, No. 998, 1986.

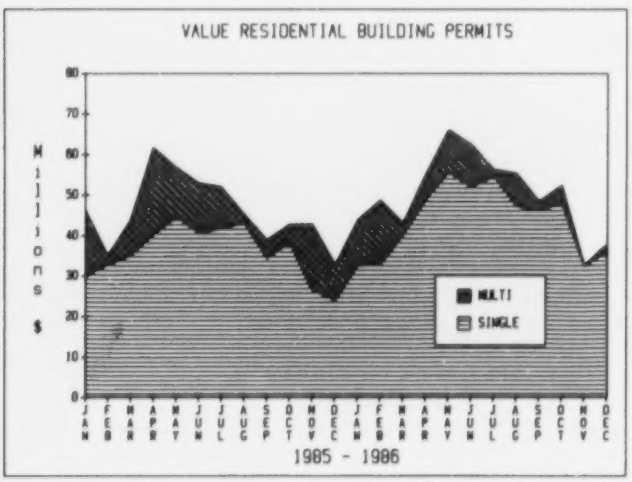
POPULATION PYRAMIDS: NEW MEXICO

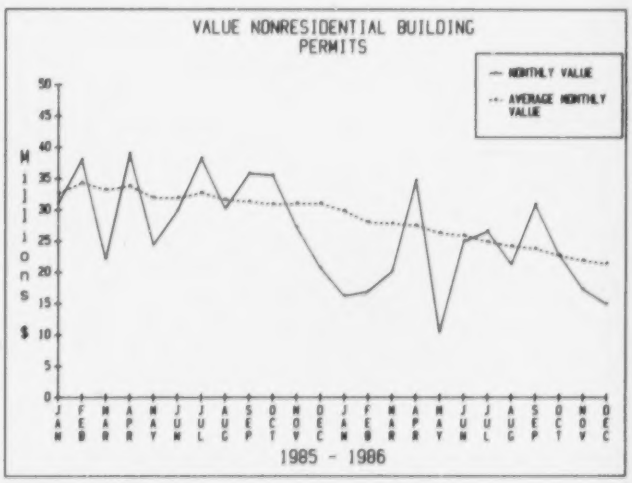


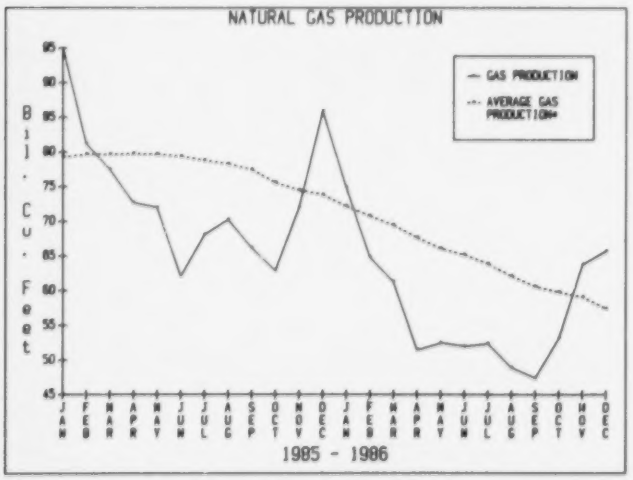
ECONOMIC TRENDS IN NEW MEXICO

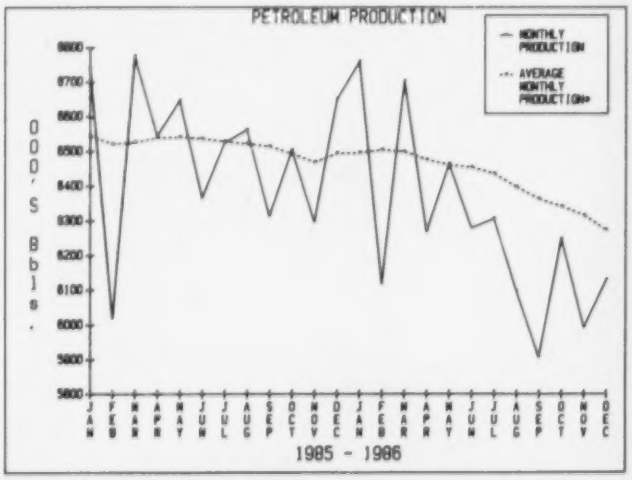












U.S. ECONOMIC INDICATORS

	CURRENT MO/QTR	DATA	% CHANGE YEAR AGO	PREVIOUS MO/ QTR DATA
Consumer price index				
All urban consumers (1967=100)				
All items	Dec 86	331.1	1.1	330.8
Food and beverages	Dec 86	317.0	3.7	316.4
Housing	Dec 86	362.1	1.8	361.7
Apparel and upkeep	Dec 86	210.9	0.9	213.1
Transportation	Dec 86	304.8	-5.9	304.3
Medical care	Dec 86	446.8	7.7	444.6
Entertainment	Dec 86	277.4	3.4	277.4
Other goods and services	Dec 86	355.2	5.6	354.9
Revised series, wage earners and clerical workers (1967=100)				
All items	Dec 86	325.7	0.7	325.4
Gross national product* ($Bil. constant)	IV 86	3702.4	2.3	3686.4
Prime interest rate** (% per annum)	Dec 86	7.5	-21.0	7.5
Mortgage interest rate*** (% per annum)	Dec 86	9.7	-11.4	9.9
3 month treasury bill# (% per annum)	Dec 86	5.5	-22.3	5.3
Industrial production## (1977=100)	Dec 86	126.6	0.8	126.0
Manufacturers new orders## ($Bil.)	Dec 86	201.9	0.4	199.5

NEW MEXICO AND U.S. COMPARISONS

		NEW MEXICO			UNITED STATES		
	CURRENT MO/QTR	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA	CURRENT MO/QTR DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
Employment (000)	Dec 86	616.0	2.2	619.4	110,588	2.4	110,751
Unemployment rate (%)	Dec 86	9.3	8.2	9.1	6.3	-5.9	6.6
Nonagricultural employment (000)	Dec 86	535.3	0.3	533.1	101,948	2.5	101,879
Personal income### ($Mil.)	III 86	16,369	3.3	16,316	3,497,088	5.4	3,479,574
Housing units permitted							
Single	Dec 86	556	48.7	512	73,858	24.9	69,719
Multi	Dec 86	58	-82.7	9	57,656	-15.7	43,516

Note: Selected data items subject to revision.
N Not available.
* 1982 dollars at seasonally adjusted annual rates.
** Closing rate for month.
*** Effective rate (in the primary market) on conventional mortgages, reflecting fees and charges as well as contract rate and assumed, on the average, repayment at end of 10 years.
# Rate on new issues within period; bank discount basis.
Monthly data seasonally adjusted.
Quarterly data seasonally adjusted at annual rates.
Sources: U. S. Department of Labor, News: CPI data;
New Mexico Employment Security Department and U. S. Bureau of Labor Statistics: employment and unemployment data.
U. S. Department of Commerce, Bureau of Economic Analysis: income data;
U. S. Department of Commerce, Bureau of the Census: construction data.
U. S. Council of Economic Advisors, Economic Indicators: all other data.

NEW MEXICO ECONOMIC INDICATORS

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
1. GENERAL				
Civilian labor force* (000)	Dec 86	679.0	3.0	681.6
Total employment* (000)	Dec 86	616.0	2.2	619.4
Unemployment* (000)	Dec 86	63.0	11.0	62.3
Unemployment rate (%)	Dec 86	9.3	8.2	9.1
Weekly new unemployment insurance claims	Dec 86	1800.0	13.2	1491.0
Nonagricultural wage/salary employment**(000)	Dec 86	535.3	0.3	533.1
New business incorporations	Oct 86	187.0	2.2	193.0
Personal income*** ($ mil.)	III 86	16369.0	3.3	16316.0
2. AGRICULTURAL RECEIPTS				
Livestock and products ($ mil.)	Nov 86	100.7	5.5	100.9
Crops ($ mil.)	Nov 86	43.3	-6.2	29.0
Total ($ mil.)	Nov 86	144.1	1.7	129.9
3. MINING				
Employment** (000)	Dec 86	14.7	-29.9	15.1
Average hourly earnings ($)	Dec 86	12.07	-1.1	12.61
Petroleum production (000 bbls.)	Dec 86	6129.8	-7.8	5993.1
Natural gas production (bil. cu. ft.)	Dec 86	65.8	-23.4	63.8
Coal production (000 short tons)	Dec 86	1437.0	-15.0	1214.0
Oil well completions&	Dec 86	40.0	-34.4	24.0
Gas well completions&	Dec 86	17.0	-43.3	11.0
Total footage drilled&& (000)	Dec 86	313.4	-47.7	208.9
Oil sales ($ mil.)	Oct 86	78.8	-54.8	75.7
Gas sales ($ mil.)	Oct 86	77.1	-49.4	71.6
4. CONSTRUCTION				
Employment** (000)	Dec 86	34.2	-7.0	35.5
Average hourly earnings ($)	Dec 86	11.11	-1.3	12.15
Residential units permitted	Dec 86	614.0	-13.5	521.0
Residential building permits ($ mil.)	Dec 86	38.1	15.5	32.8
Nonresidential building permits ($ mil.)	Dec 86	14.9	-28.0	17.3
Residential construction contracts ($ mil.)	Dec 86	35.6	-17.2	37.8
Nonresidential construction contracts ($mil.)	Dec 86	26.9	-10.6	30.4
Nonbuilding construction contracts ($ mil.)	Dec 86	38.5	52.2	23.7
5. TRANSPORTATION/COMMUNICATION/UTILITIES				
Employment** (000)	Dec 86	29.6	-3.5	29.5
Average hourly earnings## ($)	Dec 86	12.26	8.4	13.48
6. MANUFACTURING				
Employment** (000)	Dec 86	37.8	0.3	37.9
Average hourly earnings ($)	Dec 86	9.06	4.2	8.78
Electric & electronic equipment employment** (000)	Dec 86	4.3	-14.0	4.3
Transportation equipment employment** (000)	Dec 86	4.3	0.0	4.3
Food & kindred products employment** (000)	Dec 86	4.4	7.4	4.5
Textile & apparel employment** (000)	Dec 86	2.4	0.0	2.4
Lumber & wood products employment** (000)	Dec 86	2.8	7.7	2.8

NEW MEXICO ECONOMIC INDICATORS (continued)

	CURRENT MO/QTR	CURRENT DATA	% CHANGE YEAR AGO	PREVIOUS MO/QTR DATA
7. TRADE				
Wholesale employment** (000)	Dec 86	22.4	+3.0	22.5
Retail employment** (000)	Dec 86	109.1	1.4	106.8
Average hourly earnings ($)	Dec 86	6.68	0.5	6.67
8. FINANCE/INSURANCE/REAL ESTATE				
Employment** (000)	Dec 86	27.0	2.7	26.9
Bank average hourly earnings ($)	Dec 86	5.96	3.0	5.91
Bank total assets ($ mil.)	II 86	9515.6	1.7	9401.8
Bank total deposits ($mil.)	II 86	8195.7	1.1	8128.4
Bank gross loans ($ mil.)	II 86	5608.4	2.6	5565.8
S & L total assets ($ mil.)	Nov 86	5460.1	14.6	5529.0
S & L total deposits ($ mil.)	Nov 86	4429.1	9.0	4429.0
S & L new mortgage loans closed&&& ($ mil.)	Nov 86	116.7	15.0	178.3
9. SERVICES AND TOURISM				
Total service employment** (000)	Dec 86	118.5	1.2	117.4
Lodging employment** (000)	Dec 86	11.7	12.5	11.7
Eating & drinking places employment** (000)	Dec 86	17.7	1.1	17.5
Visits to state parks (000)	Dec 86	202.9	16.9	248.1
Visits to national parks/monuments (000)	Dec 86	70.1	+6.8	88.8
Passenger traffic at Albuquerque airport@ (000)	Dec 86	354.2	5.1	317.9
Lodgers tax receipts ($ 000)	III 86	2262.0	9.1	1711.5
Lodging occupancy rates (%)	Dec 86	42.8	2.7	46.6
10. GOVERNMENT				
Total government employment** (000)	Dec 86	142.0	1.2	141.5
Federal employment** (000)	Dec 86	29.6	+0.6	29.4
State employment** @@ (000)	Dec 86	52.1	4.2	51.1
Local employment** (000)	Dec 86	60.1	0.4	59.9
Total general fund revenues@@@ ($ mil.)	Dec 86	118.1	10.4	101.9

Note: selected data items subject to revision.
N Not available.
* Number of persons by place of residence.
** Number of jobs by place of work.
*** Quarterly data seasonally adjusted at annual rates.
& These include wells that are in the following categories: new drillings, deepened, plugged back, reentry and additional zone.
&& Oil and gas combined.
&&& New mortgage loans closed equals the previously carried item "total loans closed" plus a relatively insignificant additional loan category.
# For example, in the report that contained June 1985 figures this would be the percent change in the average of July 1983 to June 1984 data versus the average of July 1984 to June 1985 data.
Communications and utilities only.
@ Passenger traffic includes enplanements and deplanements.
@@ This figure includes full and part time employment at Los Alamos National Laboratories (LANL). Full time employment alone at LANL is 7,955 as of AUGUST 1986 according to U. S. Dept. of Energy, Public Affairs.
@@@ Includes recurring and non-recurring revenues.

Sources: New Mexico Employment Security Dept.; Sections 1, 3, 4, 5, 6, 7, 8, 9, 10;
Dun and Bradstreet, Inc.; Section 1;
U. S. Dept of Commerce, Bureau of Economic Analysis; Section 1;
USDA Statistical Reporting Service; Section 2;
New Mexico Energy and Minerals Dept., Oil and Gas Conservation Division; Section 3;
New Mexico Taxation and Revenue Dept., Oil and Gas Accounting Division; Section 3;
U. S. Dept. of Energy, Energy Information Administration; Section 3;
U. S. Dept. of Commerce, Bureau of the Census; Section 4;
F. W. Dodge Company (a division of McGraw Hill, Inc.); Section 4;
U. S. Federal Reserve; Section 8;
Federal Home Loan Bank of Dallas; Section 8;
New Mexico Natural Resources Dept., Parks and Recreation Division; Section 9;
U. S. National Park Service; Section 9;
City of Albuquerque, Albuquerque International Airport; Section 9;
New Mexico Dept. of Finance and Administration, Local Government Division; Section 9;
Parnell, Kerr and Forster; Section 9;
New Mexico Dept. of Finance and Administration; Section 10.

CITIES, COUNTIES AND FEATURES

GROSS RECEIPTS# FROM RETAIL TRADE
TOP 20 CITIES
($000)

	CURRENT 3 MONTH AVERAGE* OCT-DEC	% CHANGE AVERAGE YEAR AGO	PREVIOUS 3 MONTH AVERAGE* JUL-SEP
Alamogordo	$ 11,464	-3.0	$ 11,758
Albuquerque	231,182	+2.1	221,614
Artesia	4,628	-22.7	5,076
Carlsbad	13,379	+0.5	12,517
Clovis	15,434	-0.7	16,603
Deming	4,709	10.1	4,642
Espanola	7,180	0.0	7,636
Farmington	25,674	+15.8	25,990
Gallup	21,244	+5.5	22,041
Hobbs	14,547	-29.3	15,659
Las Cruces	33,713	2.8	32,131
Las Vegas	5,683	1.0	5,822
Los Alamos	6,091	0.7	6,230
Lovington	3,166	-22.0	3,322
Portales	6,482	12.2	6,458
Roswell	18,442	1.7	18,943
Ruidoso	4,970	-6.1	7,235
Santa Fe	44,976	-2.6	49,715
Silver City	6,958	-9.4	6,817
Taos	6,650	+4.2	4,731
State total	607,523	-5.1	626,246

\# Gross receipts reported are for gross receipts tax purposes, which do not include all the receipts of all firms.

* Averages are used to smooth out fluctuations in the data, which are not caused by changes in economic conditions.

Source: New Mexico Taxation and Revenue Department.

NEW MEXICO CONSTRUCTION
SELECTED CITIES

	NUMBER OF BUILDING UNITS OR PERMITS *				VALUE OF BUILDING PERMITS ($000)			
	DEC. 86	DEC. 85	CUMULATIVE TOTAL THROUGH DEC. 86	CUMULATIVE TOTAL THROUGH DEC. 85	DEC. 86	DEC. 85	CUMULATIVE TOTAL THROUGH DEC. 86	CUMULATIVE TOTAL THROUGH DEC. 85
RESIDENTIAL**								
Alamogordo	19	19	301	250	$ 871	$ 870	$ 11,513	$ 11,251
Albuquerque	151	241	5,209	5,088	10,797	11,770	234,447	208,578
Carlsbad	4	2	82	76	378	151	4,375	3,837
Clovis	10	8	157	146	699	372	9,061	7,847
Farmington	4	8	93	135	228	240	4,035	4,816
Hobbs	2	1	34	35	101	95	1,672	2,386
Las Cruces	25	168	554	726	1,469	4,472	27,234	29,182
Los Alamos	10	7	82	112	1,005	802	9,632	12,226
Rio Rancho***	62	74	1,240	1,326	3,370	3,514	63,491	73,369
Roswell	5	5	102	102	211	423	4,235	5,712
Ruidoso	2	6	180	134	197	458	7,868	10,230
Santa Fe	62	20	635	597	2,862	1,274	29,769	27,056
NONRESIDENTIALr								
Alamogordo	7	14	99	115	450	311	2,637	2,246
Albuquerque	1	6	46	226	1,100	6,152	64,060	131,091
Carlsbad	4	2	104	148	21	5	2,015	2,508
Clovis	1	3	49	37	175	594	3,943	5,416
Farmington	1	2	28	38	3	135	4,459	3,536
Hobbs	0	3	13	16	0	303	1,921	2,120
Las Cruces	12	3	184	156	193	292	14,008	18,678
Los Alamos	1	1	76	35	3	0	4,237	156
Rio Rancho***	8	1	39	33	1,148	55	12,823	9,681
Roswell	6	6	113	124	5	47	1,677	1,540
Ruidoso	1	4	13	36	56	268	1,484	6,367
Santa Fe	12	14	87	188	3,933	177	16,099	35,611

Note: Top twelve cities chosen on basis of residential construction activity during the period 1982 through 1984.

r 1985 data is revised.

* Residential data shows the number of permitted units, while nonresidential data shows the number of permits.

** Residential data includes both single and multi family units.

*** AMREP Southwest, Inc. reported Rio Rancho data.

Sources: AMREP Southwest, Inc.: Rio Rancho only;
U. S. Department of Commerce, Bureau of the Census: all others.

CITIES, COUNTIES AND FEATURES (continued)

ESTIMATED CIVILIAN LABOR FORCE AND EMPLOYMENT
(000)

	NEW MEXICO			ALBUQUERQUE MSA*			LAS CRUCES MSA**			SANTA FE MSA***		
	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r	DEC. p	% CHANGE YEAR AGO	NOV. r
TOTAL CIVILIAN LABOR FORCE	679.0	3.0	681.6	259.3	4.7	258.6	56.6	7.5	58.0	64.7	4.2	64.9
Employment@	616.0	2.2	619.4	242.5	4.6	241.6	52.8	8.2	54.1	61.0	3.4	61.3
Unemployment	63.0	11.0	62.3	16.7	5.1	17.0	3.7	-5.1	3.9	3.7	19.4	3.6
Unemployment rate (%)	9.3	8.2	9.1	6.5	1.6	6.6	6.6	-9.5	6.8	5.7	14.0	5.5
NONAGRICULTURAL WAGE & SALARY EMPLOYMENT	535.3	0.3	533.1	230.5	2.0	229.6	42.6	7.9	42.0	53.8	2.7	53.8
Mining	14.7	-29.9	15.1	0.2	0.0	0.2	0.1	0.0	0.1	0.1	0.0	0.1
Contract construction	34.2	-7.0	35.5	16.8	-3.9	17.2	2.5	4.2	2.6	3.2	-5.8	3.3
Manufacturing	37.8	0.3	37.9	19.6	0.6	19.6	3.7	8.9	3.7	1.6	0.0	1.6
Durable goods	24.4	-0.8	24.5	14.1	0.8	14.1	1.6	14.3	1.6	1.0	0.0	1.0
Nondurable goods	13.4	2.3	13.4	5.5	0.0	5.5	2.1	5.0	2.1	0.6	0.0	0.6
Transportation & public utilities	29.6	-3.5	29.5	12.7	3.3	12.5	1.3	-7.1	1.3	1.2	-19.9	1.2
Trade	131.5	2.2	129.3	60.3	1.4	59.3	8.2	2.5	7.8	10.7	3.9	10.6
Wholesale	22.4	-3.0	22.5	14.1	-0.7	14.0	0.9	12.5	0.8	0.7	0.0	0.7
Retail	109.1	3.4	106.8	46.2	2.0	45.3	7.3	1.4	7.0	10.0	4.2	9.9
Finance, insurance, & real estate	27.0	2.7	26.9	14.5	2.2	14.5	1.6	0.0	1.6	2.1	10.6	2.1
Services	118.5	3.2	117.4	61.7	4.4	60.8	6.2	12.8	6.2	13.3	5.6	13.2
Government	142.0	3.2	141.5	44.7	1.9	45.5	19.0	11.2	18.7	21.6	2.9	21.7
Federal	29.6	-0.6	29.4	12.6	3.3	12.5	4.3	-4.4	4.3	1.5	0.0	1.6
State	52.3	4.2	53.1	12.7	-2.3	13.5	9.6	28.0	9.3	16.2	2.6	16.2
Local	60.1	4.4	59.0	19.4	3.8	19.5	5.1	0.0	5.1	3.9	5.5	3.9

X Not available, less than 50 jobs.
p Preliminary.
r Revised.

* Bernalillo County.
** Dona Ana County.
*** Santa Fe and Los Alamos Counties.
@ Includes labor disputes.

Source: New Mexico Employment Security Department.

QUARTERLY LODGERS TAX RECEIPTS--TOP TWENTY CITIES AND COUNTIES IN NEW MEXICO

City	1985 3rd Quarter	1986 3rd Quarter	% Change
Alamogordo	$ 30,327	$ 33,281	9.7
Albuquerque	974,848	999,192	2.5
Carlsbad	48,127	52,005	8.1
Clovis	33,234	31,984	-3.8
Farmington	49,922	25,187	-49.5
Gallup	91,042	104,175	14.4
Grants	28,682	28,336	-1.2
Las Cruces	68,144	78,094	14.6
Los Alamos	17,994	20,091	11.7
Raton	29,055	29,592	1.8
Red River	$ 37,949	$ 39,830	5.0
Roswell	45,380	30,502	-32.8
Ruidoso	60,054	58,708	-2.2
Santa Fe	265,204	376,882	42.1
Santa Fe County	32,891	43,690	32.8
Santa Rosa	22,167	22,152	-0.1
Socorro	17,920	16,002	-10.7
Taos	19,053	65,608	244.3
Taos County	18,393	16,817	-8.6
Tucumcari	57,181	60,233	5.3
New Mexico	$2,074,351	$2,262,009	9.0

* Much of the increase in Taos was attributable to collections of delinquent taxes, along with the opening of a new hotel.
Source: New Mexico Department of Finance and Administration, Local Government Division.

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